APPENDIX A — OPINION OF THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT DECIDED JANUARY 19, 2010

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

2009-1064
(Opposition No. 91/125,615)

THE UNIVERSITY OF SOUTH CAROLINA,

Appellant,

v.

UNIVERSITY OF SOUTHERN CALIFORNIA,

Appellee.

Appeal from the United States Patent and Trademark Office, Trademark Trial and Appeal Board.

DECIDED: JANUARY 19, 2010

Before MAYER and RADER, *Circuit Judges*, and WILKEN, *District Judge.**

WILKEN, *District Judge.*

The University of South Carolina appeals from a final decision of the Trademark Trial and Appeals Board

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* Honorable Claudia Wilken, District Judge, United States District Court for the Northern District of California, sitting by designation.

refusing registration of its Carolina Baseball Logo mark, *see Univ. of S. Cal. v. The Univ. of S. Carolina*, 2008 WL 3333839 (T.T.A.B.), and granting summary judgment against South Carolina on its counterclaim for cancellation of a trademark registration held by the University of Southern California. *Univ. of S. Cal. v. Univ. of S. Carolina*, 2003 TTAB LEXIS 367, 2003 WL 21810812 (T.T.A.B.). We *affirm* both decisions.

BACKGROUND

South Carolina filed U.S. Trademark Application Serial No. 75,358,031, seeking registration of its Carolina Baseball Logo mark, shown below:

South Carolina sought registration for use of the mark on "clothing, namely, hats, baseball uniforms, T-shirts and shorts," which are defined as Class 25 goods.[1] *See* 37 C.F.R. § 6.1. The trademark examiner, finding that the mark appeared entitled to registration, published it for opposition.

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1. We refer, as did the trademark examiner and the Trademark Trial and Appeals Board, to classes of goods as defined by the International Classification Schedule, provided in 37 C.F.R. § 6.1.

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Southern California opposed registration of South Carolina's mark. Southern California argued, among other things, that the registrations for its own Standard Character Mark (Registration No. 1,844,953 ('953 Registration)) and Athletic Interlock Mark (Registration No. 2,683,137 ('137 Registration)) had priority over South Carolina's proposed registration and that South Carolina's proposed mark would create a likelihood of confusion with the '953 and '137 Registrations. Southern California's '953 Registration protects the letters "SC" in standard character form, and its '137 Registration protects the mark shown below:

South Carolina counterclaimed for cancellation of Southern California's '953 Registration under Section 2(a) of the Lanham Act, 15 U.S.C. § 1052(a), asserting that the letters "SC" falsely suggest an association with the State of South Carolina.

The Board held that South Carolina lacked standing to bring the cancellation counterclaim and, accordingly, granted summary judgment in favor of Southern California. The Board stated that, even if South Carolina had standing, the Board would nonetheless grant summary judgment against it because it did not establish a genuine issue of fact on whether the initials

"SC" are uniquely and unmistakably associated with the State of South Carolina.

The Board refused registration of South Carolina's mark under Section 2(d) of the Lanham Act, 15 U.S.C. § 1052(d), finding that it would create a likelihood confusion with Southern California's registrations. Among other things, the Board based its conclusion on its findings that South Carolina's mark and Southern California's Standard Character Mark were legally identical, that the marks would appear on the same classes of goods in the same channels of trade and that some consumers would exercise little care in making purchases.

We have jurisdiction over South Carolina's appeal pursuant to 15 U.S.C. § 1071(a)(1) and 28 U.S.C. § 1295(a)(4)(B).

DISCUSSION

The Board's legal conclusions, which include its determination that a likelihood of confusion exists, are reviewed *de novo*. *In re Chatam Int'l, Inc.*, 380 F.3d 1340, 1342 (Fed. Cir. 2002). The factual underpinnings of the Board's legal determinations are reviewed for substantial evidence. *Id.* Evidence is substantial if "a reasonable person might find that the evidentiary record supports the agency's conclusion." *Id.* (quoting *On-Line Careline, Inc. v. Am. Online, Inc.*, 229 F.3d 1080, 1084 (Fed. Cir. 2000)).

Appendix A

I. Refusal to Register South Carolina's Mark Based on a Likelihood of Confusion

The factors set forth in *Application of E.I. DuPont DeNemours & Co.*, 476 F.2d 1357, 1361 (C.C.P.A. 1973), guide the analysis to determine whether a mark is likely to confuse. South Carolina challenges the Board's decision with regard to the third, fourth and eighth *DuPont* factors, which address the similarity of trade channels, the care consumers employ when purchasing goods and the absence of evidence of actual confusion. South Carolina does not appeal, however, the Board's findings that the marks were legally identical and that the marks would appear on the same classes of goods.

A. Third Factor: Channels of Trade

Southern California's '953 Registration limits the use of the mark to goods sold in certain trade channels. Class 25 goods, such as sweatshirts and T-shirts, bearing the mark are limited to "university controlled" trade channels; various other collegiate merchandise in Classes 6, 18 and 24 are limited to "university authorized" trade channels. Because the Board found that the "university controlled" restriction would preclude purchasers from encountering South Carolina's and Southern California's marks on Class 25 goods in the same trade channel, the Board did not find any likelihood of confusion as to the Class 25 goods identified in the '953 Registration. However, the Board interpreted "university authorized" to mean "any trade channels which are or could be authorized or approved

by California." 2008 WL 3333839, at *8. Given this broad reading, the Board found that South Carolina's and Southern California's marks would appear on Class 6, 18 and 24 goods in the same channels of trade. The Board therefore concluded that the third *DuPont* factor, concerning channels of trade, weighed in favor of finding a likelihood of confusion.

South Carolina argues that the Board's interpretation of the "university authorized" restriction rendered it "unlimited and meaningless." Appellant's Opening Br. at 39. Instead, South Carolina asserts that the "university authorized" restriction was meant to have the same meaning as the more restrictive "university controlled" limitation. We disagree.

On the application that eventually ripened into the '953 Registration, Southern California stated that its Standard Character Mark would be used on "goods being offered and sold to persons desiring to associate themselves with the University of Southern California." J.A. 4795. The examiner initially rejected Southern California's application, finding that it would cause a likelihood of confusion with a previously registered trademark held by Snake Creek Manufacturing for use on Class 25 goods. In response, Southern California amended its application to limit its Class 25 goods, as well as its Class 6, 18 and 24 goods, to "university authorized" outlets. The examiner apparently still found this limitation insufficient to prevent a likelihood of confusion as to the Class 25 goods. In its final revision, Southern California altered the Class 25 goods limitation

to state that sweatshirts and T-shirts bearing its mark would be restricted to "university controlled" outlets. After this change, the examiner allowed Southern California's mark to publish.

This prosecution history reveals little on the precise meaning of "university authorized." However, the history shows that, at the least, the examiner interpreted "university authorized" to mean something different from "university controlled." Had the two phrases had the same meaning, as suggested by South Carolina, the examiner would not have allowed Southern California's mark to publish.

Although we agree that "university authorized" does not substantially restrict the trade channels in which Southern California's Class 6, 18 and 24 goods appear, the Board's definition of the phrase as "any trade channels which are or could be authorized or approved by California" is supported by its plain meaning. In contrast, the '953 Registration's prosecution history contradicts South Carolina's assertion that "university authorized" means the same as "university controlled." As a result, we do not find error in the Board's interpretation of the phrase and, accordingly, affirm the Board's finding that South Carolina's goods would appear in the same trade channels as goods bearing Southern California's Standard Character Mark.

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B. Fourth Factor: Conditions of Purchase

As noted above, the Board found that the fourth *DuPont* factor, which addresses conditions of purchase for goods, weighed in favor of finding a likelihood of confusion. The Board first determined that the goods at issue would be relatively inexpensive. Then, the Board found that the goods would be subject to purchase by three categories of consumers. The Board found that one group of purchasers would "have a loyalty to and affinity for a particular school" and would exercise a degree of care in making their purchases. 2008 WL 3333839, at *9. However, the Board found that there were two groups of consumers that would be less sophisticated and exercise less care in making their purchases: consumers purchasing the goods as gifts and "new or casual fans." Given the inexpensive nature of the goods, the Board found that the gift-purchasing consumers and "new or casual fans" would be susceptible to confusing the two schools' marks.

South Carolina asserts that the Board's determination is not adequately supported by the record. In particular, South Carolina maintains that no substantial evidence supports the Board's conclusion that the gift-purchasing consumers would not exercise care. Further, South Carolina argues that the Board lacked evidence to support the existence of uninformed "new or casual fans."

We agree that the Board's conclusions with regard to these two groups are not supported by substantial

evidence. With regard to uninformed gift-purchasing consumers, the Board appears to have assumed that family members who may purchase gifts for South Carolina alumni, staff, faculty and students "are not necessarily knowledgeable." 2008 WL 3333839, at *10. The evidence that the Board cited for this finding did not address such consumers' level of knowledge. J.A. 3178. As for the "new or casual fans," it appears that the Board based its conclusion entirely on the testimony of a witness called by South Carolina that a school's victory in a national championship would attract new, first-time purchasers, who "may or may not be" sophisticated in making their purchases. J.A. 9470-71. Thus, the Board's findings on the care exercised by gift-purchasing consumers and casual fans rested on speculation. Speculation does not constitute substantial evidence. *See, e.g., Novosteel SA v. United States*, 284 F.3d 1261, 1276 (Fed. Cir. 2002).

If the Board erred in its conclusion on this *DuPont* factor, however, its error was harmless. As noted above, the Board found that the marks were legally identical and would appear on the same classes of goods in the same trade channels. These factors, on their own, support a finding of likelihood of confusion. *See, e.g., Cunningham v. Laser Corp.*, 222 F.3d 943, 948-49 (Fed. Cir. 2000) (finding the Board's failure to consider consumer sophistication harmless when there was a strong similarity of marks and identity of goods). Thus, even if the Board erred in its finding that certain consumers were unsophisticated, this error would not require reversal of the Board's decision on the likelihood of confusion.

C. Eighth Factor: Absence of Evidence of Actual Confusion

South Carolina challenges the Board's finding that the eighth *DuPont* factor, the "length of time during and conditions under which there has been concurrent use without evidence of actual confusion," 476 F.2d at 1361, weighed only slightly in favor of South Carolina's position. It accorded this factor little weight because the schools were located on separate coasts and in different athletic conferences and, as a result, there had not been "any significant opportunity for actual confusion to have occurred." 2008 WL 3333839, at *14. The Board found insufficient evidence to conclude that "the parties' marketing of their respective goods in each other's geographic areas has been so extensive that the absence of evidence of actual confusion is factually surprising or legally significant." *Id.*

South Carolina maintains that the absence of evidence of actual confusion "creates a strong inference that there is no likelihood of confusion." *CareFirst of Md., Inc. v. First Care, P.C.*, 434 F.3d 263, 269 (4th Cir. 2006). Without deciding whether *CareFirst* reflects this Court's precedent,[1] its facts are distinguishable from those here. That case implicated a much narrower

1. The Fourth Circuit does not apply the *DuPont* factors when conducting a likelihood of confusion analysis. *See CareFirst*, 434 F.3d at 267-68. In particular, its analysis does not explicitly consider the "conditions under which there has been concurrent use without evidence of actual confusion," which is required under the eighth *DuPont* factor. 476 F.2d at 1361.

geographical region than the coast-to-coast gap between South Carolina and Southern California. Thus, in *CareFirst*, the absence of evidence of actual confusion was more probative than the absence of such evidence here.

This Court's decision in *Olde Tyme Foods, Inc. v. Roundy's Inc.*, 961 F.2d 200 (Fed. Cir. 1992), does not support South Carolina's position. There, on a motion for summary judgment, the Board inferred that the parties did business in different geographic regions, despite uncontested evidence in the record showing otherwise. *Id.* at 204. In addition, this erroneous inference was adverse to the non-moving party, contrary to the requirement that all inferences be made in favor of the non-moving party when a court decides a motion for summary judgment. *Id.* Given these errors, this Court reversed and remanded the matter for further proceedings. Here, as noted above, Southern California's opposition was tried before the Board, not decided on a motion for summary judgment. The Board found that, given the evidence, the absence of actual confusion was insignificant. At this stage, we review this determination for substantial evidence, not whether the Board made the correct inference.

After reviewing the record, we agree with the Board's decision not to weigh heavily the absence of evidence of actual confusion. The conditions under which there has been no actual confusion render its absence largely insignificant. Although South Carolina identifies instances in which Southern California's trademark

investigator observed both schools' merchandise in close proximity at various stores, this evidence is only marginally probative because the record provides no insight into whether this commingling occurred over a substantial period of time. *See Han Beauty, Inc. v. Alberto-Culver Co.*, 236 F.3d 1333, 1338 (Fed. Cir. 2001). And even though many national retailers sell both schools' goods, there is no evidence that these retailers routinely display and sell the merchandise at the same store location, let alone side-by-side. Without evidence that the two marks appeared together for a significant length of time, the Board correctly accorded little weight to the absence of evidence of actual confusion.

II. South Carolina's Cancellation Counterclaim

The Board granted summary judgment against South Carolina on its cancellation counterclaim under Section 2(a) of the Lanham Act on the basis that the school lacked standing. South Carolina challenges this finding. Although we agree that the Board took an unnecessarily limited view of standing, we nonetheless affirm the Board's grant of summary judgment because South Carolina did not show a genuine issue of material fact for trial.

Under the Lanham Act, "any person who believes that he is or will be damaged" by a mark's suggestion of a false association may file a petition for cancellation. 15 U.S.C. §§ 1052(a), 1064(3); *see also Cunningham*, 222 F.3d at 945 ("Standing . . . requires only that the party seeking cancellation believe that it is likely to be

damaged by the registration."). Additionally, a cancellation petitioner must satisfy two judicially-created requirements: the petitioner must show (1) a "real interest" in the proceeding and (2) a reasonable basis for the belief that the challenged mark has caused or will cause damage. *Ritchie v. Simpson*, 170 F.3d 1092, 1095 (Fed. Cir. 1999). To show a real interest, the petitioner must "have a direct and personal stake in the outcome" of the cancellation. *Id.* Standing will not be granted to "'mere intermeddlers' who do not raise a real controversy . . . ." *Id.*

The Board apparently believed that the University of South Carolina is not an agency of the State of South Carolina and, as a result, the University of South Carolina lacked standing to assert a Section 2(a) claim based on a false association between the University of Southern California and the State of South Carolina. Without deciding whether the University of South Carolina is an agent of the State, we conclude that the Board's restrictive interpretation of standing under the Lanham Act is incorrect. To establish standing, the University of South Carolina only needed to show that it had a reasonable belief that it would be damaged by Southern California's Standard Character Mark registration, and that it had a direct and personal stake in the cancellation of that registration. It did so. The University of South Carolina sold goods bearing its mark, which gave it a commercial interest in registering its mark and a reasonable belief in likely damage. *See Cunningham*, 222 F.3d at 945 (stating that a "belief in likely damage can be shown by establishing a direct

commercial interest"). The mark's registration was prevented by Southern California Standard Character Mark; this provided South Carolina with a stake in the cancellation of Southern California's registration. *See Lipton Indus. v. Ralston Purina Co.*, 670 F.2d 1024, 1029 (C.C.P.A. 1982). Thus, South Carolina had a direct and personal stake in its cancellation petition and a reasonable belief in damage.

Although we conclude that South Carolina had standing, we affirm the Board's decision to grant summary judgment. To prevail on a Section 2(a) Lanham Act claim for cancellation based on false association, a party must show that the challenged mark is "unmistakably associated" with another person or institution. *See Univ. of Notre Dame Du Lac v. J.C. Gourmet Food Imports Co., Inc.*, 703 F.2d 1372, 1376-77 (Fed. Cir. 1983); *see also* 15 U.S.C. § 1052(a). South Carolina asserted that Southern California's use of "SC" falsely suggested an affiliation with the State of South Carolina. Thus, to avoid summary judgment, South Carolina must have shown that there was a genuine issue for trial on whether the initials "SC" "point uniquely" to the State. *Univ. of Notre Dame Du Lac*, 703 F.2d at 1377.

As it did before the Board, South Carolina points to evidence that the public associates the initials "SC" with the State of South Carolina. We agree that "SC" may refer to the State of South Carolina. But as the evidence offered by Southern California demonstrates, "SC" refers to many entities aside from the State. Indeed,

South Carolina, in the context of another issue, submitted evidence showing that at least sixteen other universities and colleges represent themselves as "SC." J.A. 33. In light of this evidence, South Carolina did not satisfy its burden on summary judgment. Even drawing all reasonable inferences in favor of South Carolina, evidence showing that the initials "SC" could refer to the State of South Carolina does not create a genuine issue on whether the initials uniquely point to the State. On this basis, we affirm the Board's decision to grant summary judgment against South Carolina on its cancellation counterclaim.

CONCLUSION

Because the Board did not commit reversible error, we affirm its decision to refuse registration of South Carolina's mark and its grant of summary judgment against South Carolina on its cancellation counterclaim.

APPENDIX B — DECISION OF THE UNITED STATES PATENT AND TRADEMARK OFFICE, TRADEMARK TRIAL AND APPEAL BOARD HEARING: NOVEMBER 15, 2007 MAILED: AUGUST 1, 2008

THIS OPINION IS NOT A PRECEDENT OF THE TTAB

Hearing: Nov. 15, 2007

Mailed: August 1, 2008

UNITED STATES PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

University of Southern California

v.

The University of South Carolina

Opposition No. 91125615
to application Serial No. 75358031
filed on September 16, 1997

Scott A. Edelman of Gibson Dunn & Crutcher LLP for University of Southern California.

John C. McElwaine of Nelson Mullins Riley & Scarborough, L.L.P. for The University of South Carolina.

Before Bucher, Grendel and Zervas, Administrative Trademark Judges.

Opinion by Grendel, Administrative Trademark Judge:

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INTRODUCTION

In this opposition proceeding, University of Southern California ("California") is the opposer and counterclaim defendant. The University of South Carolina ("Carolina") is the applicant and counterclaim plaintiff. University of Southern California is a private university located in Los Angeles, California. (Stip. Facts No. 89.) The University of South Carolina is a public university located in Columbia, South Carolina. (Stip. Facts No. 81.) Both schools' athletic programs compete in NCAA Division I-A, the top tier of collegiate athletics. (Stip. Facts Nos. 35-36.) California is a member of the Pacific-10 Conference, and Carolina is a member of the South Eastern Conference. (Stip. Facts Nos. 88, 95.)

In the application which is the subject of the opposition case, Carolina seeks registration on the Principal Register of the mark depicted below for goods identified in the application as "clothing, namely, hats, baseball uniforms, T-shirts and shorts."[1] Like the parties, we primarily shall refer to this mark as the Carolina Baseball Logo mark.

1. Serial No. 75358031, filed on September 16, 1997. The application is based on use in commerce under Trademark Act Section 1(a), 15 U.S.C. §1051(a). January 1997 is alleged in the application to be the date of first use of the mark anywhere and the date of first use of the mark in commerce.

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California has opposed registration of Carolina's mark, alleging priority and likelihood of confusion under Trademark Act Section 2(d), 15 U.S.C. §1052(d), as its ground of opposition.[2] In its June 11, 2004 amended notice of opposition (the operative pleading herein), California has pleaded ownership of two registrations. The first is Reg. No. 1844953 (the '953 registration),[3] which is an incontestable registration of the mark SC (in typed or standard character form) for goods identified in the registration as:

> keyrings of non-precious metals; decorative emblems or plates of non-precious metal, for attachment to autos; art work statuary of non-precious metals, all goods being offered and sold to persons through university authorized channels of trade, in Class 6;
>
> umbrellas, hand luggage, tote bags, luggage; namely, tote bags, hand luggage, garment bags for travel, and small traveling bags for overnight trips, fanny packs, toiletry bags sold empty, briefcases, back packs, all goods being

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2. In its amended notice of opposition, California also asserted dilution and Trademark Act Section 43(a) as grounds of opposition. We deem California to have waived its dilution claim for lack of proof and argument. The Section 43(a) claim is not legally cognizable in this Board proceeding. See TBMP §102.01.

3. Reg. No. 1844953, issued on July 12, 1994. Section 8 and 15 affidavits accepted and acknowledged; renewed.

offered and sold to persons through university authorized channels of trade, in Class 18;

towels, blankets, cloth pennants, and cloth flags, all goods being offered and sold to persons through university authorized channels of trade, in Class 24; and

sweatshirts and T-shirts, all goods being offered and sold at university-controlled outlets, in Class 25.

California's second pleaded registration is Reg. No. 2683137 (the '137 registration), which is of the mark depicted below

for various goods in Classes 12, 16, 18, 21, 24, 25 and 28, and for services in Classes 35 and 41.[4] As do the parties, we shall refer to this mark primarily as the California Athletic Interlock mark.

4. Reg. No. 2683137, issued on February 4, 2003 based on an application filed on February 22, 2002. In the application and registration, 1993 is alleged to be the date of first use of the mark anywhere and 1994 is alleged to be the date of first use of

(Cont'd)

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the mark in commerce, as to all of the identified goods and services. The goods and services identified in the '137 registration are:

> metal frames for metal license plates; and metallic car emblems, in Class 12;
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> decals; folders; 3-ring binders; personal organizers; calendars; pencils; pens; erasers; pencil sharpeners, pen or pencil holders; desktop business card holders; note paper; wrapping paper; paper napkins; and paper tablecloths, in Class 16;
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> umbrellas; luggage, namely, tote bags, hand luggage, garment bags and overnight bags; shoe bags for travel; fanny packs; toiletry bags sold empty; briefcases; backpacks; duffel bags; wallets; business card cases; luggage tags; animal leashes; and dog collars, in Class 18;
>
> porcelain and glass mugs; cups; drinking glasses, shot glasses; commemorative and decorative plates; coasters; paper plates; thermal insulated containers for food or beverage; portable beverage coolers; plastic sports bottles sold empty; and pet bowls, in Class 21;
>
> towels; stadium blankets; cloth pennants; and cloth flags, in Class 24;
>
> clothing, namely, t-shirts, sweatshirts, polo shirts, warm-up suits, jackets, rain ponchos, sweaters, jerseys, tank tops, shorts, sport shirts, baseball shirts, basketball jerseys, golf sweaters, night shirts, boxer shorts, socks, hats, caps, sport caps, visor caps, beanies and ties, in Class 25;

(Cont'd)

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In addition to the rights derived from its two pleaded registrations, California also alleges prior common law rights in the marks depicted in the registrations, as well as prior common law rights in the mark depicted below for various goods including shirts and hats.

As do the parties, we shall refer to this mark primarily as the California Baseball Interlock mark.

In Carolina's September 20, 2004 amended answer (the operative pleading herein), Carolina denied the

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(Cont'd)

> sporting goods, namely, baseballs, footballs, golf balls, golf tees, golf bags, putters, golf club covers, racket covers, flying discs, and foam fingers; arcade-type electronic video games; playthings, namely, plush toys, and ride-on toys; playing cards, in Class 28;
>
> on-line retail store services featuring men's, women's and children's clothing, footwear, hats, accessories, sporting goods, gifts and novelty items, in Class 35; and
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> entertainment services, namely, conducting athletic competitions; organizing intercollegiate, community and national sporting and cultural events; sports instruction; and providing musical, band, dance, theatrical and dramatic performances, in Class 41.

salient allegations of the amended notice of opposition and asserted various affirmative defenses.[5] Carolina also asserted a counterclaim for cancellation of California's pleaded '137 registration (the California Athletic Interlock mark), alleging as its ground for cancellation

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5. Carolina's pleaded affirmative defense alleging that the amended notice of opposition fails to state a claim is not well-taken. As discussed below, we find that California has standing to oppose, and Carolina's affirmative defense alleging lack of standing therefore is not well-taken. Carolina's affirmative defense alleging that there is no likelihood of confusion is not properly an affirmative defense but rather is merely a restatement of its denials of California's likelihood of confusion allegations. Carolina's affirmative defense of laches is not available in this opposition proceeding, *see National Cable Television Association Inc. v. American Cinema Editors Inc.*, 937 F.2d 1572, 19 USPQ2d 1424 (Fed. Cir. 1991), and is unproven in any event. Carolina's affirmative defenses alleging estoppel, waiver and previous release of claims are waived due to lack of proof and argument. (The parties' prior agreements regarding use of the mark USC shall be considered below in connection with the tenth *du Pont* likelihood of confusion factor. See *infra* at footnote 20. Carolina's affirmative defense alleging that California's "SC" marks are "generic or descriptive and incapable of serving as an indicator of source" is waived for failure of proof and argument. We note that Carolina, in its brief, has argued that California's "SC" marks are geographically descriptive because "SC" would be perceived merely as an abbreviation for Southern California, the geographic location. Assuming arguendo that this contention falls within the generic/descriptive/incapable affirmative defense as pleaded, we find that it is not supported by any evidence in the record, and we give it no further consideration.

that if a likelihood of confusion exists, it is Carolina, not California, which has Section 2(d) priority.[6]

California filed an answer to the counterclaim in which it denied the salient allegations thereof and asserted various affirmative defenses, including abandonment.[7]

After many rounds of interlocutory motion practice, both parties presented evidence at trial. The case is fully and ably briefed, and an oral hearing was held on November 15, 2007 at which counsel for both parties presented arguments.

The evidence automatically of record consists of the pleadings; the file of Carolina's '031 application involved

6. Carolina also alleged dilution as a ground for cancellation, but has waived the claim due to its failure to present evidence or argument in support thereof. We note as well that Carolina's June 26, 2003 initial answer included a counterclaim for cancellation of California's '953 registration on the grounds of fraud, Section 2(b) and Section 2(a). Those claims were dismissed by the Board upon California's motion in an order issued on July 31, 2003.

7. We find that California has waived its pleaded *Morehouse* prior registration defense and its laches, estoppel and acquiescence defenses by failing to present evidence or arguments in support thereof at trial. California's answer to the counterclaim included a reservation of the right to assert additional affirmative defenses, including unclean hands and fraud, but California never amended its answer to assert any such defenses and we have given them no consideration.

in the opposition; and the file of California's '137 registration involved in the counterclaim. Trademark Rule 2.122, 37 C.F.R. §2.122. Also of record are the parties' Stipulation of Facts filed December 19, 2005 (Stip. Facts) and the parties' various stipulations regarding documents.

California's evidence consists of: the testimony deposition of Elizabeth A. Kennedy (Kennedy Depo.), California's Director of Trademarks and Licensing, with California's Exh. Nos. 1-15 and Carolina's Exh. Nos. 1-6;[8] the testimony deposition of Dan Stimmler (Stimmler Depo.), California's Associate Vice-President of Auxiliary Services, with California's Exh. Nos. 16-19 and Carolina's Exh. No. 7; the testimony deposition of California's private investigator Kenneth H. Taylor (Taylor Depo.) with California's Exh. Nos. 328-351 and Carolina's Exh. Nos. 23-49; California's Notices of Reliance Nos. 1-27 on California's Exh. Nos. 20-297 and 371-428; and the testimony declarations of New Era Cap Company employees Becky Foote and Donna McMillan and attached exhibits, submitted by California after completion of briefing pursuant to the parties' August 20, 2007 stipulation (which was approved by the Board on September 6, 2007).

Carolina's evidence consists of: the testimony deposition of Elizabeth C. West (West Depo.), Carolina's

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8. As do the parties, we shall identify California's exhibits as "O-Exh. No.__" and Carolina's exhibits as "A-Exh. No.__."

University Archivist, with Carolina's Exh. Nos. 14-22 and California's Exh. Nos. 314-327; the testimony deposition of Kenneth M. Corbett (Corbett Depo.), Carolina's Licensing Director, with Carolina's Exh. Nos. 50-87 and California's Exh. Nos. 352-370; the testimony deposition of C. "Kit" Walsh (Walsh Depo.), Senior Vice-President for Marketing at Collegiate Licensing Company (CLC), with Carolina's Exh. Nos. 8-13 and California's Exh. Nos. 298-314; and Carolina's Notices of Reliance Nos. 1-28 on Carolina's Exh. Nos. 88-458.

The record in this case is voluminous, and each party has asserted numerous objections to the other's evidence. Given the large number of objections, we shall not address each of them specifically. We have considered only those objections which pertain to the evidence upon which we specifically rely in making our factual findings and legal conclusions in this case. Generally speaking and unless otherwise specifically stated in our opinion, we overrule these objections to the extent that they challenge the admissibility of the evidence, and we shall consider the evidence for whatever probative value it may have.

THE OPPOSITION PROCEEDING

We turn first to the opposition proceeding, in which California opposes registration of Carolina's Baseball Logo mark for "clothing, namely, hats, baseball uniforms, T-shirts and shorts" on the grounds of priority/ownership of a registration and likelihood of confusion under Trademark Act Section 2(d). To prevail on its

Section 2(d) claim, California must prove either priority of use or ownership of a registration, as well as likelihood of confusion. California also must establish its standing to oppose.

California's Standing to Oppose

Initially, we find that because California has properly made its pleaded registrations of record (O-Ex. Nos. 296-297), California has established its standing to oppose registration of Carolina's mark. *See Cunningham v. Laser Golf Corp.*, 222 F.3d 943, 55 USPQ2d 1842 (Fed. Cir. 2000); *see also Lipton Industries, Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185 (CCPA 1982).

California's Section 2(d) Claims

California has asserted three separate bases for its Section 2(d) claim, i.e., its ownership of its '953 registration of the standard character "SC" mark, its ownership of its '137 registration of the California Athletic Interlock mark, and its prior common law rights in "SC" marks, particularly its California Baseball Interlock mark. We shall discuss each of these in turn, below.

CALIFORNIA'S OPPOSITION BASED ON ITS '953 REGISTRATION

We first shall consider California's Section 2(d) opposition to registration of Carolina's mark which is based on California's ownership of its '953 registration of its standard character "SC" mark for various goods in Classes 6, 18, 24 and 25.

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Section 2(d) - Priority/Ownership of Registration

Because California has made its pleaded incontestable '953 registration of record (O-Exh. No. 296), Section 2(d) priority is not at issue as to that registered mark (the standard character "SC" mark) and as to the goods in Classes 6, 18, 24 and 25 identified in that registration. *See King Candy Co. v. Eunice King's Kitchen, Inc.*, 496 F.2d 1400, 182 USPQ 108 (CCPA 1974).

Section 2(d) – Likelihood of Confusion

Our likelihood of confusion determination under Section 2(d) is based on an analysis of all of the facts in evidence that are relevant to the factors bearing on the likelihood of confusion issue (the *du Pont* factors). *See In re E. I. du Pont de Nemours & Co.*, 476 F.2d 1357, 177 USPQ 563 (CCPA 1973). *See also Palm Bay Imports, Inc. v. Veuve Clicquot Ponsardin Maison Fondee En 1772*, 396 F.3d 1369, 73 USPQ2d 1689 (Fed. Cir. 2005).

Factor 1 – Comparison of the Marks

The first *du Pont* factor requires us to determine the similarity or dissimilarity of the marks when viewed in their entireties in terms of appearance, sound, connotation and commercial impression. *Palm Bay Imports, Inc., supra.* The test, under the first *du Pont* factor, is not whether the marks can be distinguished when subjected to a side-by-side comparison, but rather whether the marks are sufficiently similar in terms of

their overall commercial impression that confusion as to the source of the goods offered under the respective marks is likely to result. The focus is on the recollection of the average purchaser, who normally retains a general rather than a specific impression of trademarks. *See Sealed Air Corp. v. Scott Paper Co.*, 190 USPQ 106 (TTAB 1975).

California's '953 registered mark is SC, registered in standard character or typed form. The Carolina Baseball Logo mark Carolina seeks to register is depicted below.

The parties have stipulated that Carolina's Baseball Logo mark is a stylized form of the letters SC. (Stip. Facts Nos. 1, 2.)

We find that California's registered SC mark and Carolina's Baseball Logo mark are legally identical in terms of appearance. Because California's SC mark is registered in standard character or typed form, we must presume for purposes of our comparison of the parties' marks that California may display its mark in all reasonable manners. *See Cunningham v. Laser Golf Corp.*, *supra*. We find that the manner in which Carolina's Baseball Logo mark is displayed is or would

be a reasonable manner for California to display its registered SC mark. Indeed, the record shows that California in the past has used a version of its SC mark which is essentially identical to Carolina's Baseball Logo mark. (O-Exh. Nos. 89.2, 94.4 and 95.2.) We also find that the two marks are identical in terms of sound, and that on their face they have the same arbitrary connotation and create the same commercial impression, i.e., the letters "SC."

For these reasons, we find that the marks are similar when viewed in their entireties, and that the first *du Pont* factor weighs in favor of a finding of likelihood of confusion.

Factors 2 and 3 – Comparison of the Goods and Trade Channels

The second *du Pont* factor requires us to determine the similarity or dissimilarity of the goods as identified in Carolina's application and in California's pleaded '953 registration, respectively. The related third *du Pont* factor requires us to consider the similarity or dissimilarity of the trade channels for the goods as identified in Carolina's application and in California's registration, respectively.

Initially, we are not persuaded by Carolina's argument that the parties' respective goods are inherently dissimilar for purposes of the second *du Pont* factor merely because the marks used thereon are secondary source indicators. (Carolina brief at 32-33.)

Carolina cites no persuasive authority for this proposition. As discussed *infra* in connection with the fourth du Pont factor (conditions of purchase), Carolina's argument begs the question before us, which is whether consumers encountering applicant's mark will be confused as to who that secondary source is, i.e., California or Carolina.

Factors 2 & 3 as Applied to California's '953 Class 25 Goods; The '953 Class 25 Opposition is Dismissed.

In our analysis under the second and third *du Pont* factors we first will consider Carolina's Class 25 goods and trade channels as compared to the Class 25 goods and trade channels identified in California's '953 registration. We then will consider Carolina's Class 25 goods and trade channels as compared with the Class 6, 18 and 24 goods and trade channels identified in California's '953 registration.

Carolina's Class 25 goods are identified in the application as "clothing, namely, hats, baseball uniforms, T-shirts and shorts." The Class 25 goods identified in California's '953 registration are "sweatshirts and T-shirts, all goods being offered and sold at university-controlled outlets."

We find that Carolina's Class 25 goods as identified in the application are identical to the Class 25 goods identified in California's registration as to "T-shirts," and that they also are closely related to the Class 25 "sweatshirts" identified in California's registration. The

second *du Pont* factor thus weighs in California's favor as to Class 25.

Under the third *du Pont* factor, we must presume from the fact that Carolina's identification of goods is unrestricted as to trade channels that Carolina's goods are or could be marketed in all normal trade channels for such goods. *See, e.g., In re Elbaum*, 211 USPQ 639 (TTAB 1981). However, we find that the specific trade channel limitation set forth in California's Class 25 identification of goods, i.e., "all goods being offered and sold at university-controlled outlets," is highly significant.[9] The parties have stipulated that no products bearing Carolina's marks are sold through retail outlets operated by California. (Stip. Facts No. 78-79.) Therefore, though we must presume that Carolina's Class 25 goods move in all normal trade channels for such goods, we find that California's "university-controlled outlets" are not among the normal trade channels in which Carolina's goods are or would be sold. California's Class 25 trade channel limitation eliminates any possibility that purchasers might encounter

9. This trade channel limitation to the Class 25 goods identified in California's '953 registration, i.e., to goods "being offered and sold at University-controlled outlets," came about during the prosecution of the application (Serial No. 74094681) which matured into California's '953 registration. California agreed to the restriction of trade channels in order to overcome the Office's Section 2(d) refusal based on the existence of a prior third-party registration, Reg. No. 1146441. (Stip. Facts Nos. 65-70.)

Carolina's Class 25 goods in California's trade channels, or vice versa. The third *du Pont* factor therefore weighs in Carolina's favor as to the Class 25 goods identified in California's '953 registration.

Moreover, we find that as to the Class 25 goods as they are identified in California's '953 registration, the dissimilarity of the trade channels under the third *du Pont* factor outweighs all of the other *du Pont* factors in our likelihood of confusion analysis, including the similarity of the marks under the first *du Pont* factor, the similarity of the goods under the second *du Pont* factor, and the evidence discussed below in connection with the other pertinent *du Pont* factors. In a particular case, a single *du Pont* factor may be dispositive. *See Champagne Louis Roederer S.A. v. Delicato Vineyards*, 148 F.3d 1373, 47 USPQ2d 1459 (Fed. Cir. 1998); *Kellogg Co. v. Pack'Em Enterprises Inc.*, 951 F.2d 330, 21 USPQ2d 1142 (Fed. Cir. 1991); *Pure Gold, Inc. v. Syntex (U.S.A.) Inc.*, 221 USPQ 151 (TTAB 1983), *aff'd*, 739 F.2d 624, 222 USPQ 741 (Fed. Cir. 1984).

Thus, we find that the trade channel limitation set forth in the Class 25 identification of goods in California's '953 registration is dispositive of California's likelihood of confusion claim to the extent that such claim is based on the Class 25 goods identified in California's '953 registration. To the extent that California's Section 2(d) ground of opposition is based on the Class 25 goods

identified in the '953 registration, we dismiss the opposition.[10]

Factors 2 & 3 – '953 Classes 6, 18 and 24

If California's Section 2(d) claim based on its '953 registration is to succeed, it must do so on the basis of the Class 6, 18 and 24 goods identified in the registration. Our discussion of the remaining *du Pont* factors with respect to California's '953 registration shall focus only on those goods. We begin with the second and third *du Pont* factors, which involve a comparison of the parties' respective goods and trade channels.

To review, the Class 6, 18 and 24 goods identified in California's '953 registration are:

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10. However, and contrary to Carolina's arguments, the specific trade channel limitations set forth in California's '953 registration are not relevant to California's Section 2(d) claim to the extent that such claim is based on California's '137 registration of the Athletic Interlock mark, which includes no trade channel limitations. See discussion below. Similarly, to the extent that California's Section 2(d) claim is based on California's rights derived from its prior common law *use* of its "SC" mark (rather than on its '953 registration of such mark), the '953 trade channel limitations are not pertinent. California's common law rights in its mark are separate from, in addition to, and not delimited by the terms of its '953 registration. Such prior common law rights, to the extent that they are proven, serve as an independent basis for California's Section 2(d) claim regardless of whether California relies on, or even owns, a registration.

keyrings of non-precious metals; decorative emblems or plates of non-precious metal, for attachment to autos; art work statuary of non-precious metals, all goods being offered and sold to persons through university authorized channels of trade, in Class 6;

umbrellas, hand luggage, tote bags, luggage; namely, tote bags, hand luggage, garment bags for travel, and small traveling bags for overnight trips, fanny packs, toiletry bags sold empty, briefcases, back packs, all goods being offered and sold to persons through university authorized channels of trade, in Class 18;

towels, blankets, cloth pennants, and cloth flags, all goods being offered and sold to persons through university authorized channels of trade, in Class 24.

For purposes of the second *du Pont* factor, it is not necessary that the goods be identical or even competitive in order to find that the goods are related for purposes of our likelihood of confusion analysis. That is, the issue is not whether consumers would confuse the goods themselves, but rather whether they would be confused as to the source of the goods. *See In re Rexel Inc.*, 223 USPQ 830 (TTAB 1984). It is sufficient that the goods be related in some manner, or that the circumstances surrounding their use be such, that they would be likely to be encountered by the same persons in situations that would give rise, because of the marks

used thereon, to a mistaken belief that they originate from or are in some way associated with the same source or that there is an association or connection between the sources of the respective goods. *See In re Martin's Famous Pastry Shoppe, Inc.*, 748 F.2d 1565, 223 USPQ 1289 (Fed. Cir. 1984); *In re Melville Corp.*, 18 USPQ2d 1386 (TTAB 1991); and *In re International Telephone & Telegraph Corp.*, 197 USPQ 910 (TTAB 1978).

Applying these principles in the present case, we find that Carolina's Class 25 goods are related to the Class 6, 18 and 24 goods identified in California's '953 registration, for purposes of the second *du Pont* factor. The relatedness of these goods is evidenced by the fact that Carolina itself markets both clothing items and other goods like those identified in California's registration. (Stip. Facts Nos. 5, 40.)[11] Carolina and California license their marks for use on apparel and non-apparel items to many of the same licensees. (Stip. Facts No. 41.) Additionally, the third-party use-based registrations submitted by both parties (although submitted in support of arguments pertaining to

11. Stip. Facts No. 5 reads: "Carolina licenses collegiate merchandise bearing Carolina's Mark which includes, but is not limited to baseball caps, visors, knit caps, t-shirts, golf shirts, jackets, magnets, rings, golfballs, and jewelry." Stip. Facts No. 40 reads: "Carolina licenses collegiate merchandise which includes, but is not limited to apparel, headwear, footwear, jewelry, watches, clocks, toys and games, sporting goods, auto accessories, blankets, cups, mugs, flags, banners, holiday items, office and school supplies, rugs, luggage and sportbags, wallets, and umbrellas."

du Pont factors other than the second factor) include in their identifications of goods both clothing items and the other types of goods listed in California's registration.[12] Although such registrations are not evidence that the marks shown therein are in use or that the public is familiar with them, they nonetheless have probative value to the extent that they serve to suggest that the goods listed therein are of a kind which may emanate from a single source under a single mark. *See In re Albert Trostel & Sons Co.*, 29 USPQ2d 1783 (TTAB 1993); and *In re Mucky Duck Mustard Co. Inc.*, 6 USPQ2d 1467 (TTAB 1988). Based on this evidence, we find that the second *du Pont* factor weighs in favor of a finding of likelihood of confusion in our comparison of Carolina's Class 25 goods and the Class 6, 18 and 24 goods identified in California's '953 registration.

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12. See, e.g., California's Notice of Reliance No. 24, which includes O-Exh. No. 410 (Reg. No. 1974554, owned by University of Kansas); O-Exh. No. 411 (Reg. Nos. 3035527, 3035529, 3041269 and 3041812, owned by University of Oklahoma); O-Exh. No. 415 (Reg. Nos. 1995677, 1998319, 1998461 and 2025192, owned by Texas Christian University); O-Exh. No. 417 (Reg. No. 29155536, owned by Southern Methodist University); and O-Exh. No. 418 (Reg. Nos. 1579506, 1720351 and 1720424, owned by George Mason University). See also Carolina's Notice of Reliance No. 16, which includes A-Exh. No. 223 (Reg. No. 1685998, owned by University of Arizona); A-Exh. No. 224 (Reg. No. 2969139, owned by San Diego State University); A-Exh. No. 237 (Reg. No. 1737968, owned by Duke University); A-Exh. No. 261 (Reg. No. 1780230, owned by University of Iowa); A-Exh. No. 277 (Reg. No. 1323109, owned by University of Michigan); and A-Exh. No. 286 (Reg. No. 1699032, owned by Northwestern University).

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We also find, under the third *du Pont* factor (similarity or dissimilarity of trade channels), that the normal trade channels for Class 25 goods of the type identified in Carolina's application are the same as or overlap with the "university authorized channels of trade" to which California's Class 6, 18 and 24 goods are restricted in the '953 registration.

Initially, we must address the issue of what effect to give the wording "university authorized channels of trade" in California's Class 6, 18 and 24 identification of goods. Like the Class 25 "university-controlled" trade channel limitation discussed above, the "university authorized channels of trade" limitation to the Class 6, 18 and 24 goods identified in California's '953 registration came about during the prosecution of the application (Serial No. 74094681) which matured into California's '953 registration. California agreed to the restriction of trade channels in order to overcome the Office's Section 2(d) refusal based on the existence of a prior third-party registration, Reg. No. 1146441. (Stip. Facts Nos. 65-70.)

Carolina argues that this "unversity authorized channels of trade" trade channel restriction would be rendered meaningless if we were to find that California's "university authorized" trade channels are so broad as to include general and specialty retailers (like those discussed below) who are not directly controlled by or directly affiliated with California. We disagree. On their face, the words "university authorized" in the identification of goods would include any trade channels

which are or could be authorized or approved by California. If the Trademark Examining Attorney had intended or understood that the Class 6, 18 and 24 goods were to be restricted to trade channels "controlled" by California, as Carolina argues, she could have required such a restriction, as she did for the Class 25 goods. She did not do so, but instead expressly distinguished between "university-controlled" trade channels (in Class 25) and "university authorized" trade channels (in Classes 6, 18 and 24). We therefore interpret "university authorized" trade channels to mean what it says, i.e., that the registration covers Class 6, 18 and 24 goods which move in any and all trade channels which are or may be authorized by California. The record shows that California has authorized the sale of its Class 6, 18 and 24 goods in the same trade channels as those in which Carolina's Class 25 goods are marketed.

In general, Class 25 clothing items like Carolina's are marketed in the same trade channels as Class 6, 18 and 24 giftware items like California's. (E.g., O-Exh. Nos. 328-351 to Taylor Depo.;[13] O-Exh. No. 225; A-Exh. Nos. 60, 71.) In particular, the record shows that Carolina and California each license their goods to many of the same licensees. (Stip. Facts No. 41.) Carolina markets its goods through the Internet websites of apparel and sporting goods retailers like Foot Locker, Sport Chalet, Champs, Dick's Sporting Goods, Oshman's and Sports

13. Carolina's objection to the Taylor deposition and O-Exh. Nos. 328-351 on the grounds of foundation and relevance are overruled. Also, Carolina did not object to the introduction of these exhibits during Mr. Taylor's deposition.

Authority. (Stip. Facts Nos. 13-33.) The exhibits to the deposition of California's investigator Kenneth Taylor show that Carolina's goods also are sold at bricks-and-mortar stores like Wal-Mart (O-Exh. No. 305), Lids (O-Exh. Nos. 306, 334), J.C. Penney (O-Exh. No. 307); Champs (O-Exh. No. 333), and Foot Locker (O-Exh. No. 346). Carolina's witness Kit Walsh of Collegiate Licensing Company (CLC), the company which administers Carolina's trademark licensing program (Walsh Depo. at 5, 9-10), testified that Carolina's products are sold at retailers like Wal-Mart, Dillard's, Kohl's, Sports Authority, and Bed, Bath & Beyond. (Walsh Depo. at 33-38.)

The record establishes that California's "university-authorized" trade channels for its Class 6, 18 and 24 goods include many of the same general and specialty Internet and bricks-and-mortar retailers that market Carolina's goods. California's Director of Trademarks and Licensing, Elizabeth Kennedy, testified that California's goods "are sold in retail stores of all sectors of the retail marketplace." (Kennedy Depo. at 21.) These include sporting goods retailers like Foot Locker, Champs Sports, Chick's, Sports Authority, Dick's Sporting Goods and Sport Chalet (id. at 22-23), "mid-tier mass" retailers like J.C. Penney, Sears and Kohl's (id. at 21-22), mass merchandisers like Wal-Mart, Kmart and Target (id. at 22), gift stores and boutiques (id. at 24), and home furnishings stores like Bed, Bath & Beyond (id. at 24).

For the reasons discussed above, we find that Carolina's Class 25 goods as identified in Carolina's application are related to California's Class 6, 18 and 24 goods as identified in the '953 registration. We also find that the trade channels in which these types of goods are or may be marketed are the same or overlapping. Thus, as to the Class 6, 18 and 24 goods identified in California's '953 registration, the second and third *du Pont* factors weigh in favor of a finding of likelihood of confusion.

Factor 4 – Conditions of Purchase

The fourth *du Pont* factor requires us to consider evidence pertaining to the buyers to whom and the conditions under which the goods are marketed. First, we find based on the evidence that many of the Class 6, 18 and 24 items identified in California's registration are or would be relatively inexpensive. These include goods such as keyrings in Class 6, tote bags and fanny packs in Class 18, and towels and cloth pennants in Class 24. Elizabeth Kennedy, California's Director of Trademarks and Licensing, testified that many of these giftware items would retail for ten dollars or less. (Kennedy Depo. at 32.) We likewise find that the clothing items like those identified in Carolina's application would include items such as baseball hats and t-shirts which likewise can be relatively inexpensive, many of them retailing for under twenty dollars. (Stimmler Depo. at 16-18.)

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Next with respect to the purchasers and the conditions of purchase under the fourth *du Pont* factor, we find that many purchasers of collegiate merchandise items[14] are likely to have a loyalty to and affinity for a particular school or team, that they are to be knowledgable about a particular school's trademarks as used on the merchandise, and that they are likely to exercise a degree of care in looking for and making their decisions to purchase such goods. (Walsh Depo. at 19, 25-27.) These purchasers would include those directly affiliated with the school such as students, faculty and alumni, and others who are "hardcore" fans of the school's athletic teams. Such "hardcore" fans of California's athletic teams are estimated by Dan Stimmler, California's Vice President of Auxiliary Services, to constitute twenty percent of the purchasers of the school's collegiate merchandise. (Stimmler Depo. at 34-35.) These purchasers are likely to be able to distinguish between similar collegiate marks based on their familiarity with the different schools and their marks, and their familiarity with national collegiate sports generally. (Walsh Depo. at 76.)

However, the record also clearly shows that the purchasers of collegiate merchandise include those who are not necessarily knowledgable about different schools' trademarks. These include persons such as

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14. Our analysis under this factor will focus on collegiate merchandise, although the identifications of goods in Carolina's application and California's registration are not expressly limited to such goods.

relatives or friends who are purchasing the goods as gifts. (Corbett Disc. Depo. at 85 (O-Exh. No. 252).) These less knowledgable purchasers also would include new or casual fans nationwide who are likely to purchase a school's athletics-based merchandise such as hats and t-shirts in years in which the school's sports teams win national championships or are otherwise especially successful on a national level. Carolina's witness Kit Walsh, of Collegiate Licensing Company, testified that in such years the sales of a school's merchandise may double, and that these new purchasers are less knowledgable than the school's more longstanding fans who would be familiar with the school and its trademarks. (Walsh Depo. at 65, 76-78.)

In short, we find that although some purchasers of the parties' goods will be knowledgable fans who are less likely to be confused, there are others who may not be so knowledgable about different schools' marks. These less knowledgable purchasers are likely to exercise a lesser degree of care in purchasing the goods given the inexpensive nature of many of the products sold under the marks.

Next with respect to the conditions of purchase under the fourth *du Pont* factor, the record shows that, in addition to the primary logo or mark appearing on the product (such as the marks at issue here), collegiate merchandise (especially clothing), often bears another school mark, or a school mascot logo, or even the name

of the school. Carolina argues that the presence of these additional source indicators on the products enables purchasers to distinguish between the sources of the products. However, the mark Carolina seeks to register does not include any of these secondary marks, and we therefore cannot consider them in our Section 2(d) likelihood of confusion analysis. The presence of secondary marks on the products might be relevant to a likelihood of confusion determination in an infringement or unfair competition context, but not in this case where we are determining the registrability of the mark depicted in Carolina's application.

Similarly, it is not relevant in this case that purchasers (especially knowledgable fans) are likely to be aware of a school's colors or color combinations and likely to be able to identify or distinguish the source of a clothing item by virtue of the color or colors in which the logo, or even the clothing item itself, appears. The parties have disputed whether Carolina's school colors (in particular the "garnet" shade of red) are similar to California's school colors (in particular the "cardinal" shade of red). However, color is not a feature of the mark Carolina seeks to register. The similarity or dissimilarity of the color of the marks or of the goods themselves as encountered by purchasers, and purchasers' ability, vel non, to distinguish source based on such colors, might be relevant in an infringement or unfair competition case, but has no bearing on our case.

Finally, as noted in the cases cited by Carolina,[15] a mark appearing on collegiate or professional sports teams merchandise such as hats and shirts usually serves as an indication of secondary source; it refers to or identifies the school or the team itself. The purchaser's decision to purchase the product often is not based on who actually manufactured the product, but rather is based on the ornamental presence of the secondary source mark itself on the product. The decision to purchase arises from the purchaser's desire to demonstrate his or her connection to or affiliation with that secondary source (the school, or the team) or, if the purchaser is purchasing the product as a gift, to allow the gift recipient to demonstrate that connection or affiliation.

However, we are not persuaded by Carolina's contention that just because both parties' marks are secondary source indicators, there will be no confusion among purchasers.[16] That begs the question before us, which is not whether collegiate marks are recognized as being secondary source indicators (they usually are), but rather whether all of the relevant purchasers

15. E.g., *University Book Store v. University of Wisconsin Board of Regents*, 33 USPQ2d 1385 (TTAB 1994); *Board of Supervisors of the Louisiana State University and Agricultural and Mechanical College v. Smack Apparel Co.*, 438 FSupp.2d 653, 82 USPQ2d 1122 (E.D.La. 2006). *See also Chicago Bears Football Club Inc. v. 12th Man/Tennessee LLC*, 83 USPQ2d 1073 (TTAB 2007).

16. See discussion *supra* in connection with the second *du Pont* factor.

necessarily would know by the mark itself *which* school is the secondary source of a particular product. As discussed above, the relevant purchasers of the parties' goods in this case would include purchasers who are not necessarily familiar with or up-to-date on all of the various trademarks currently or formerly used by a particular school. These purchasers, upon encountering Carolina's mark, are likely to be confused as to whether it is Carolina or California that is the secondary source of the goods bearing the mark.

For all of the reasons discussed above, we find that the fourth *du Pont* factor (conditions of purchase) weighs in favor of a finding of likelihood of confusion.

Factor 5 - Fame

The fifth *du Pont* factor requires us to consider evidence of the fame of California's mark,[17] and to accord any such fame significant weight in our likelihood of confusion analysis. *See Bose Corp. v. QSC Audio Products Inc.*, 293 F.3d 1367, 63 USPQ2d 1303 (Fed. Cir. 2002); *Kenner Parker Toys, Inc. v. Rose Art Industries, Inc.*, 963 F.2d 350, 22 USPQ2d 1453 (Fed. Cir. 1992).

> Fame of an opposer's mark or marks, if it exists, plays a "dominant role in the process

17. The fifth *du Pont* factor pertains to the fame of a plaintiff's mark, which in this opposition proceeding is California's "SC" mark. Carolina's argument that its own mark is famous, even if it were proven, is not pertinent in the opposition, in which Carolina is the defendant.

> of balancing the *DuPont* factors," *Recot*, 214 F.3d at 1327, 54 USPQ2d at 1456 [sic – 1897], and "[f]amous marks thus enjoy a wide latitude of legal protection." *Id.* This is true as famous marks are more likely to be remembered and associated in the public mind than a weaker mark, and are thus more attractive as targets for would-be copyists. *Id.* Indeed, "[a] strong mark . . . casts a long shadow which competitors must avoid." *Kenner Parker Toys*, 963 F.2d at 353, 22 USPQ2d at 1456. A famous mark is one "with extensive public recognition and renown." *Id.*

Bose Corp. v. QSC Audio Products Inc., *supra*, 63 USPQ2d at 1305.

We have considered all of the evidence submitted by California on this issue (most if not all of which was submitted under seal pursuant to the parties' protective agreement and which we therefore shall not detail in this opinion). California's evidence of its sales and advertising volumes (O-Exh. Nos. 66-78, 240-46) pertains to its other marks and designations as well as the "SC" mark, including California's primary "USC" mark, and we find that California has not persuasively established the percentages of these sales and advertising figures which pertain specifically to its "SC" mark, or specifically to its sales of the Class 6, 18 and 24 goods identified in the '953 registration. Likewise, the 1996 and 2005 press articles (O-Exh. Nos. 163-222) which refer to California's sports teams as "SC" also

prominently refer to California by other designations, such as "USC" and "Trojans," a fact which dilutes the significance of this evidence as proof of the fame of "SC" per se.

After reviewing all of the evidence, we find that although California has achieved a significant measure of national renown as a university and with respect to its athletics programs, the evidence is insufficient to support a finding that California's "SC" mark, per se, is a famous mark as contemplated by the fifth *du Pont* factor. We therefore find that the mark is not entitled to the expanded scope of protection to be accorded a famous mark under our case law. We conclude that the fifth *du Pont* factor is neutral in this case or at best weighs in California's favor only slightly.

Factor 6 - Third-party Marks

Under the sixth *du Pont* factor, we consider evidence pertaining to the number and nature of similar marks in use on similar goods or services. "The purpose of a defendant introducing third party uses is to show that customers have become so conditioned by a plethora of such similar marks that customers have been educated to distinguish between different such marks on the bases of minute distinctions." *Palm Bay Imports Inc.*, *supra*, 73 USPQ2d at 1694. The probative value of third-party trademarks depends entirely upon their usage; the evidence must show that the marks are well promoted and recognized by consumers. *Id.* at 1693. In this case, we find that Carolina's evidence of third-party uses of "SC" marks is entitled to little probative weight under the sixth *du Pont* factor.

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Carolina has made of record printouts from the websites of sixteen third-party universities and colleges which use "SC" on uniforms worn by their student-athletes. (A-Exh. Nos. 72-87.) In each case, the letters "SC" are apparently an abbreviation of the school's name. These third-party schools are: Springfield College in Springfield, MA; Stockton College, an NCAA Division III school in New Jersey; Stonehill College, an NCAA Division II school in Easton, MA; Sheridan College, a community college in Sheridan, WY; Simpson College, an NCAA Division III school in Indianola, IN; Smith College, a women's college in Northhampton, MA; Southeastern University, of uncertain location; Southwestern College, in Winfield, KS; Benedictine University-Springfield College in central Illinois, with an enrollment of 430; Sacramento City College, a community college in Sacramento, CA; Saddleback College, a junior college in Mission Viejo, CA; St. Catharine College, a junior college in St. Catharine, KY; St. Cloud State University, an NCAA Division II school in St. Cloud, MN (whose mark is a highly stylized "CST," not "SC"); Shasta College, a community college in Redding, CA; Snow College, a junior college of uncertain location; and Salem College, of uncertain location.[18]

18. Elizabeth Kennedy, California's director of trademarks and licensing, testified that she was aware of an additional third-party school which uses "SC," namely, the University of Southern Colorado. (Carolina Ex. No. 421 (Kennedy Discovery Depo. at 166)). However there is no evidence as to the nature and extent of use of "SC" by that school.

We find that this evidence is of little or no probative value under the sixth *du Pont* factor. It is apparent from the websites themselves that these schools using "SC" are small private colleges, community colleges and junior colleges. Even if we were to assume that these schools sell collegiate merchandise bearing an "SC" mark (and only one of the schools does so, on this record), we find that the schools are so small, localized and obscure that they are unlikely to have had any effect on the strength of California's mark in the national marketplace, or any effect on the ability of relevant purchasers to distinguish between California's and Carolina's "SC" marks. Kenneth Corbett, Carolina's director of licensing, when referred to these third-party websites and asked "do you know whether any of these schools sell any merchandise that carries the letters SC?", testified "I can't recall on every Web site if they had a store or not. The school may be so small that it's only sold in their bookstore and not on line anywhere." (Corbett Depo. at 55.) He further testified that apart from his review of the websites he had no other knowledge of these schools, including whether they are two-year or four-year institutions, whether they are NCAA Division I schools, whether they are known verbally as "SC," or whether they sell any merchandise that bears an "SC" mark. (Corbett Depo. at 55-62.) If Carolina's own director of licensing is not familiar with nature and extent of these other schools' use of "SC," it is unlikely that the relevant purchasers at issue in this case would be aware of any such use.

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Carolina also cites to the apparent use by Santa Clara University in Santa Clara, California of a descending interlock "SC" mark (which is similar to the California Athletic Interlock mark of California's '137 registration). (Walsh Depo. at 85; A-Exh. No. 13.). However, the nature, extent and duration of this use, and the relevant purchasers' familiarity with the mark, are not proven on this record. Additionally, the record shows that California sent a cease and desist letter to Santa Clara University promptly upon learning of Santa Clara's use of an "SC" mark (O-Exh. No. 427 at 4-5; A-Exh. No. 421 at 2-3). The Board's records indicate that California has opposed registration of Santa Clara's mark (Opp. No. 91168693, currently suspended pending the outcome of this proceeding). On this record, we find that Santa Clara's use of an "SC" mark, if any, does not weigh significantly in Carolina's favor under the sixth *du Pont* factor.

Carolina also relies on the ownership of an "SC" mark by another third-party school, Spelman College.[19] However, there is no evidence in the record establishing the nature and extent of actual use by Spelman College, if any, and we therefore accord it no probative value under the sixth *du Pont* factor in this case.

19. Carolina's primary argument regarding Spelman College pertains to a 1993 settlement agreement between California and Spelman College which averted inter partes proceedings at the Board between the two parties. We shall discuss this settlement agreement more fully below, in connection with the thirteenth *du Pont* factor.

In short, Carolina's evidence does not suffice to support a finding under the sixth *du Pont* factor that relevant purchasers have been exposed to such a plethora of "SC" marks in use on collegiate merchandise that they would be able to distinguish California's and Carolina's "SC" marks on the basis of minute distinctions between the marks. We therefore find that the sixth *du Pont* factor is neutral in this case.

Factors 7 & 8 – Actual Confusion

The seventh *du Pont* factor requires us to consider evidence pertaining to the nature and extent of any actual confusion which has resulted from the parties' use of their marks. The related eighth *du Pont* factor requires us to consider evidence pertaining to the length of time during and conditions under which there has been contemporaneous use without evidence of actual confusion.

California has presented evidence which suggests that there may have been some confusion between the marks on the part of employees of its licensee, the hat manufacturer New Era Cap Company (Foote Decl.; McMillan Decl.), and on the part of several Internet retailers of the parties' goods (Kennedy Depo. at 42-50; O-Exh. Nos. 4, 6-13).[20] We find this evidence of actual confusion to be de minimis, and that in any event it is

20. Carolina's objection to the admissibility of this evidence is overruled. We have considered the evidence for whatever probative value it may have.

not evidence of actual confusion on the part of the relevant purchasers in this case. We also reject California's contention (rebuttal brief at 45-46) that this is evidence of reverse confusion. On this record, we find that the seventh *du Pont* factor is neutral in this case.

We further find, under the eighth *du Pont* factor, that the absence of evidence of significant actual confusion largely might be explained by the fact that there has not been any significant opportunity for actual confusion to have occurred. *See Gillette Canada, Inc. v. Ranir*, 23 USPQ2d 1768 (TTAB 1992). California and Carolina are on opposite coasts and in different athletic conferences. We cannot conclude on this record that the parties' marketing of their respective goods in each other's geographic areas has been so extensive that the absence of evidence of actual confusion is factually surprising or legally signficant. This difference in geographical trade channels is irrelevant to the third *du Pont* factor (similarity of trade channels, discussed above) because this is not a concurrent use proceeding and Carolina's application and California's registrations are nationwide in scope. However, the differences in the parties' actual geographical trade channels is relevant under the eighth *du Pont* factor to the extent that it might explain the absence of actual purchaser confusion to date. We find that the eighth *du Pont* factor is neutral in this case, or at best that it weighs in Carolina's favor only slightly.

On balance, we find that the seventh and eighth *du Pont* factors regarding actual confusion are neutral in

this case, and that if they are entitled to any weight, they essentially counterbalance each other in our likelihood of confusion analysis.

Factor 10 – Market Interface Between the Parties

The tenth *du Pont* factor requires us to consider evidence pertaining to the "market interface" between the parties, including evidence of any past dealings between the parties which might be indicative of a lack of confusion in the present case. In this case, the evidence of record pertaining to the tenth *du Pont* factor concerns two prior consent agreements between the parties, by which the parties settled an opposition proceeding (Opp. No. 91064006) in 1981, and settled a concurrent use proceeding (Concurrent Use No. 1089) in 1997.[21]

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21. In its brief, Carolina cites these prior consent agreements between the parties as evidence pertaining to the strength of California's mark under the sixth *du Pont* factor. We agree with California that these agreements are more properly considered to be evidence pertaining to the tenth *du Pont* factor, the market interface between the parties. Additionally, we note that although Carolina pleaded "estoppel" as an affirmative defense, Carolina has not argued that the parties' prior consent agreements operate as an actual legal or equitable estoppel to California's opposition to registration of Carolina's mark. We find that the agreements do not give rise to an estoppel in any event. In its brief, Carolina instead argues that these prior agreements between the parties constitute evidentiary admissions by California that confusion is unlikely in this case. We have considered the agreements in that context.

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We consider first the August 10, 1981 agreement (A-Exh. No. 167), by which the parties settled Carolina's opposition (Opp. No. 91064006) to California's application (Serial No. 73176996) for registration of the mark "USC" (in typed or standard character form) for various goods in Classes 6, 10, 11, 12, 14, 16, 18, 20, 21, 24, 25, 26 and 28. The agreement's recitals stated that both Carolina and California had used the designation "USC" for over fifty years in connection with educational services and a wide variety of products as identified in California's '996 application, that the parties were not aware of a single instance of actual confusion in that time, and that "the parties desire to amicably resolve the above-identified opposition and, additionally, to reach agreement on their respective rights in and to the designation USC." Based on these recitals, the agreement went on to provide, in pertinent part:

> 1. SOUTHERN CALIFORNIA shall not object and hereby consents to the use by SOUTH CAROLINA or its licensees, distributors or other lawful designees of the designation USC on and in connection with educational and related services as well as consumer products of varying description. . . .
>
> 2. SOUTH CAROLINA shall not object and hereby consents to the use by SOUTHERN CALIFORNIA or its licensees, distributors or other lawful designees of the designation USC

on and in connection with educational and related services as well as consumer products of varying description. . . .

3. Upon request by either party, the other party shall execute any acknowledgement or consent reasonably necessary to effect the intent of paragraphs 1 and 2 above.

4. The parties mutually agree not to obtain Federal registration of the designation USC in respect of educational services.

5. The parties mutually agree that it is permissible for SOUTHERN CALIFORNIA to obtain state registration of USC for educational services in the State of California and for SOUTH CAROLINA to obtain state registration of USC for educational services in the State of South Carolina.

We find that this 1981 agreement is entitled to some weight as evidence under the tenth *du Pont* factor in this case, in that it suggests that California, in 1981, believed that the parties' contemporaneous use of "USC" was not likely to cause confusion. However, we find that the agreement's probative value on the likelihood of confusion issue before us is limited by the fact that the mark involved was "USC" rather than "SC," and by the fact that the agreement was executed some twenty-seven years ago, in an era before the

significant expansion in the nationwide scope and extent of the collegiate merchandise licensing industry which has occurred since then.[22] On balance, we find that this 1981 agreement is evidence which weighs somewhat in Carolina's favor under the tenth *du Pont* factor.

We consider next the parties' October 1, 1997 concurrent use agreement (A-Exh. No. 166). The concurrent use proceeding (Conc. Use No. 1089) involved California's concurrent use application (Serial No. 75116291) to register "USC" in standard character form for various educational and entertainment services for the territory essentially comprising the western United States, and Carolina's concurrent use application (Serial No. 75138304) to register the same mark for the same services for the territory essentially comprising the eastern United States.

The parties' concurrent use agreement recited in pertinent part that Carolina had used the service mark "USC" since 1890 in connection with various educational and entertainment services in the territory essentially comprising the eastern United States; that California

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22. This expansion of the collegiate merchandise licensing marketplace beginning in the 1970's and 1980's has been noted by the Board and by courts in prior cases. *See, e.g., University Book Store v. University of Wisconsin Board of Regents*, 33 USPQ2d 1385, 1401 (TTAB 1994); *University of Arkansas v. Professional Therapy Services Inc.*, 873 F.Supp. 1280, 34 USPQ2d 1241, 1242 (W.D. Ark. 1995); and *University of North Carolina v. Helpingstine*, 714 F.Supp. 167, 11 USPQ2d 1506 (M.D.N.C. 1989).

had used the service mark "USC" since 1910 in connection with the same types of educational and entertainment services in the territory essentially comprising the western United States; that the parties believe there would be no likelihood of confusion resulting from their concurrent use of USC "given the differences between the Carolina Territory and the California Territory"; that neither party is aware of any actual confusion resulting from their concurrent use of USC "within their respective territories"; and that the parties desire to reach an agreement "regarding their respective uses of the USC mark."

Premised on these recitals, the agreement went on to provide, inter alia, that neither party would seek to register the USC mark "or any related or derivative mark" in connection with educational and entertainment services in the other's territory; that neither party would "use any logo, trademark, service mark, mascot, school song or nickname" of the other party "in connection with the USC Mark"; and that each party shall use its best efforts to use its university name "someplace on all advertising and promotional materials for the Services which display the USC Mark."

The Board accepted the parties' concurrent use agreement in an order dated November 3, 1999, finding that California was entitled to a concurrent use registration of the mark USC for the recited educational and entertainment services for the territory essentially comprising the western United States, and that Carolina was entitled to a concurrent use registration

of the mark USC for the recited educational and entertainment services for the territory essentially comprising the eastern United States.

We find that this 1997 concurrent use agreement is entitled to little or no probative weight under the tenth *du Pont* factor in the present case. Again, the agreement involved the mark "USC" rather than "SC." More importantly, the agreement's recital and the Board's finding that there was no likelihood of confusion clearly were based on the premise that that the parties were to use their "USC" marks only in their respective mutually exclusive geographic territories. No such geographic restrictions are involved in the present case. The agreement also imposed conditions on the manner in which each party would use its "USC" mark, prohibiting the use of each other's secondary marks in connection with "USC" and providing that each party's use of "USC" would be accompanied by use of its full university name. No such restrictions on the manner of use of the marks exist in this case. In these circumstances, we find that California's 1997 consent to issuance of a concurrent use registration to Carolina cannot be construed, under the tenth *du Pont* factor, to be evidence indicative of an absence of likelihood of confusion in the present case.

On balance, we find that the tenth du Pont factor (market interface) is essentially neutral, or at best weighs in Carolina's favor only slightly.

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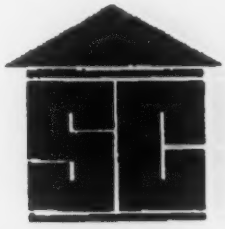
Factor 13 – Other Facts in Evidence

We turn finally to the thirteenth *du Pont* factor ("any other established fact probative of the effect of use"), under which we will consider evidence relevant to our likelihood of confusion determination which does not readily fall under any of the other *du Pont* factors.

First, the record establishes that California entered into an agreement in February 1993 with Spelman College (A-Exh. No. 168), which is a small NCAA Division III school in Atlanta, Georgia. (O-Exh. No. 428 at 4-5 (Kennedy Disc. Depo. at 195-96).) This agreement settled Spelman College's potential opposition to California's application Serial No. 74094681 (which eventually matured into the '953 registration of the typed "SC" typed mark upon which California relies in the present case). In pertinent part, the agreement recites that Spelman College asserts ownership of the mark depicted below



for "alumni magazines" in Class 16, "college bookstore services" in Class 42, "educational services, namely providing courses of instruction at the college level" in Class 41, and "plastic shopping bags" in Class 18; that

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Spelman College has four pending applications to register its mark for these goods and services (Serial Nos. 74338417, 74338407, 74338414 and 74338579); that California asserts ownership in and has applied to register the mark "SC" for goods in Classes 6, 18, 24 and 25 (as identified in Serial No. 74094681, which would eventually become California's '953 registration); and that the parties' respective marks marks do not currently conflict, have not resulted in any actual confusion or likelihood of confusion in the past, and will not cause confusion or likelihood of confusion in the future. The agreement then provides that neither party will oppose registration of the other's mark in the other's pending application(s); that if any of Spelman College's applications to register its mark are refused by the Office under Section 2(d) based on California's prior-pending "SC" application, California will provide a statement for Spelman College to submit to the Office saying that in California's opinion there is no confusing similarity between the two marks;[23] and that neither party will assert its registration or common law rights in its mark "to try to impede" the other from using its own mark "on typical college bookstore merchandise."

Carolina argues that this 1993 agreement between California and Spelman College constitutes an admission by California that there is no likelihood of confusion between California's and Carolina's respective "SC"

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23. Review of the Office's records indicate that the Office did not issue a Section 2(d) refusal in any of Spelman College's applications.

marks in the present case. However, although we do not disregard the 1993 Spelman College agreement, we are not persuaded by Carolina's argument that the agreement is entitled to significant probative weight in our determination of whether a likelihood of confusion exists in the present case. *Cf. In re Majestic Distilling Co.*, 315 F.3d 1311, 65 USPQ2d 1201, 1205 (Fed. Cir. 2003)(in an ex parte Section 2(d) case involving the Office's refusal to register Majestic's mark based on Stroh's prior registration, ". . . no presumption can be made [from Stroh's consent agreements with third parties] that Stroh consents to Majestic's use of the mark or that Stroh has determined or admits that confusion of the public by Majestic's concurrent use of the mark is unlikely").[24]

Moreover, we find that the specific circumstances surrounding the 1993 agreement between California and Spelman College preclude a finding that California has

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24. We agree with California's suggestion that the Federal Circuit's 2003 decision in *In re Majestic Distilling Co.* limits the persuasive value of the case relied on by Carolina, *Swedish Beer Export Company Aktiebolag v. Canada Dry Corporation*, 469 F.2d 1096, 176 USPQ 59 (CCPA 1972), a decision in an opposition proceeding wherein the majority found that a letter of consent from a third party which helped the opposer to overcome an ex parte refusal to register the opposer's mark was evidence of the absence of a likelihood of confusion in the opposition proceeding between the opposer and an applicant not in privity with the third party. Chief Judge Markey dissented, stating that ". . . I can give no weight whatever to the letter of consent obtained from a nonparty during a prior ex parte prosecution for registration."

admitted that Carolina's use of its "SC" mark is not likely to cause confusion vis-a-vis California's "SC" mark. Spelman's highly distinctive "schoolhouse SC" mark is much more readily distinguishable from California's "SC" mark than is the "SC" mark Carolina seeks to register, and California's consent to Spelman's mark therefore is not an admission that there is no likelihood of confusion between California's mark and Carolina's mark. Also, Spelman College is a small school in Atlanta, and the market for its goods and services as identified in its four applications ("educational services, namely providing courses of instruction at the college level," "alumni magazines," "college bookstore services," and "plastic shopping bags"), as well as for the goods set forth in the 1993 agreement itself ("typical college bookstore merchandise") is likely to be highly localized and directed to a very small number of potential purchasers. By contrast, Carolina and California are prominent Division I schools with a potential nationwide market for their collegiate merchandise.

It is entirely reasonable to assume that these are the reasons why California consented to Spelman's use and registration of its mark in 1993. Indeed, at page 196 of her discovery deposition (O-Exh. No. 428 at 5) California's licensing director Elizabeth Kennedy explained that California consented to Spelman's use and registration of its mark because "the mark with the schoolhouse design would be significantly differentiated and specific to Spelman College, that the establishment of the little triangle above the stylized 'S' and 'C' would be very differentiating." We cannot conclude on this

record that California's consent agreement with Spelman College arose from a belief by California that there would be no likelihood of confusion between its "SC" mark and any and all other third-party "SC" marks, including Carolina's mark. Therefore, although we find that the Spelman College agreement is some evidence in Carolina's favor in this case under the thirteenth *du Pont* factor, it is not entitled to significant probative weight in our likelihood of confusion determination.

Also of potential relevance with respect to the thirteenth *du Pont* factor, we note that, for the first time in its briefs, California argues that Carolina is guilty of inequitable conduct because it had not used its mark on all of the goods identified in its present application as of the application filing date. To the extent that this is meant to be an assertion of fraud as a separate ground of opposition, it has not been pleaded or tried as such and we shall give it no consideration as such. Assuming that California's fraud or inequitable conduct argument is pertinent to our likelihood of confusion determination under the thirteenth *du Pont* factor, we find that the evidence fails to establish the elements of fraud, particularly the element of fraudulent intent.

Next with respect to the thirteenth *du Pont* factor, we note that in response to California's request for admission No. 3 (O-Exh. No. 251), Carolina admitted that it was aware of California's "SC" mark at the time it adopted the "SC" mark it seeks to register. If California is arguing that Carolina is guilty of bad faith adoption,

and if we assume that such bad faith adoption is pertinent evidence under the thirteenth *du Pont* likelihood of confusion factor in this case, we find that the argument is not well taken because Carolina's mere awareness of California's mark does not suffice to establish bad faith adoption.

For the reasons discussed above, we find that the evidence of record pertaining to the thirteenth *du Pont* factor ("other facts") does not weigh significantly in either party's favor. The thirteenth factor is essentially neutral in this case.

Likelihood of Confusion - Conclusion

Balancing all of the evidence of record as it pertains to the relevant *du Pont* factors, and for the reasons discussed above, we conclude that a likelihood of confusion exists between Carolina's Baseball Logo mark as applied to the apparel items identified in Carolina's application, and California's registered '953 standard character mark as applied to the Class 6, 18 and 24 goods identified in the registration (but not as to the Class 25 goods as identified). To the extent that any doubts might exist as to the correctness of this conclusion, we resolve such doubts against applicant. *See Starbucks U.S. Brands, LLC v. Ruben*, 78 USPQ2d 1741 (TTAB 2006).

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Section 2(d) Claim Based on '953 Registration – Conclusion

Because priority is not an issue, and because a likelihood of confusion exists, we conclude that registration of Carolina's mark is barred under Section 2(d) based on California's '953 registration, and we sustain California's opposition insofar as it is based on the '953 registration. This conclusion is in addition to and/or in the alternative to our conclusions, *infra*, that registration of Carolina's mark also is barred by California's '137 registration and California's prior common law rights.

CALIFORNIA'S OPPOSITION BASED ON ITS '137 REGISTRATION

The second basis for California's Section 2(d) ground of opposition to registration of Carolina's Baseball Logo mark is its ownership of its '137 registration of the California Athletic Interlock mark depicted below

which covers a variety of goods and services in multiple classes, including (most importantly in the present case) "clothing, namely, t-shirts, sweatshirts, polo shirts, warm-up suits, jackets, rain ponchos, sweaters, jerseys,

tank tops, shorts, sport shirts, baseball shirts, basketball jerseys, golf sweaters, night shirts, boxer shorts, socks, hats, caps, sport caps, visor caps, beanies and ties," in Class 25.

As discussed at length below, we deny Carolina's counterclaim for cancellation of California's '137 registration due to Carolina's failure to establish Section 2(d) priority. Therefore, California is entitled to rely on this registration in support of its Section 2(d) claim in the opposition.

Section 2(d) – Priority/Ownership of a Registration

Because California has properly made of record its '137 registration (O-Exh. 297), Section 2(d) priority is not an issue as to the mark and goods identified in that registration. *See King Candy Co. v. Eunice King's Kitchen, Inc., supra.*

Section 2(d) – Likelihood of Confusion

Our Section 2(d) likelihood of confusion findings and analysis with respect to California's '137 registration, vis-a-vis the mark and goods identified in Carolina's application, are largely the same as our findings and analysis as set forth above in connection with California's '953 registration. For our likelihood of confusion determination with respect to California's '137 registration, we adopt and incorporate here our findings and analysis as to *du Pont* factors 4-8, 10 and 13 as set forth above. However, several of the *du Pont* factors

require additional findings and analysis. These are the first factor (similarity of the marks), the second factor (similarity of the goods), and the third factor (similarity of the trade channels).

Factor 2 – Comparison of the Goods

Turning initially to the second *du Pont* factor, we find that Carolina's Class 25 goods as identified in its application, i.e., "clothing, namely, hats, baseball uniforms, T-shirts and shorts," are legally identical to the Class 25 "t-shirts," "shorts" and "hats" identified in California's '137 registration, and that they are closely related to the other Class 25 clothing items identified in the '137 registration. As discussed above in connection with California's '953 registration, we are not persuaded by Carolina's argument that the parties' respective goods are inherently dissimilar for purposes of the second *du Pont* factor merely because the marks used thereon are secondary source indicators. The issue is whether purchasers will be able to determine whether it is California or Carolina which is the secondary source of the goods they encounter.

Because Carolina's and California's Class 25 goods as identified in Carolina's application and in California's '137 registration are identical in part and otherwise closely related, we find that the second *du Pont* factor weighs in favor of a finding of likelihood of confusion.

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Factor 3 – Comparison of Trade Channels

Under the third *du Pont* factor, we note that the Class 25 identification of goods in California's '137 registration does not include any trade channel limitations, and specifically that it does not include the trade channel limitation set forth in the '953 registration's Class 25 identification of goods ("all goods being offered and sold at university-controlled outlets"). Because there are no trade channel restrictions in either party's Class 25 identification of goods, and because those goods are legally identical, we find the parties' respective goods are or could be marketed in legally identical trade channels. Unlike our finding in connection with California's '953 registration that the third *du Pont* factor weighs dispositively in Carolina's favor, we find, as to the opposition based on California's '137 registration, that the third *du Pont* factor clearly weighs in favor of a finding of likelihood of confusion.

Factor 1 – Comparison of the Marks

We turn next to the first *du Pont* factor, which requires us to determine the similarity or dissimilarity of Carolina's Baseball Logo mark and California's '137 California Athletic Interlock mark when viewed in their entireties in terms of appearance, sound, connotation and commercial impression. *Palm Bay Imports, Inc., supra.* As discussed above, the test, under the first *du Pont* factor, is not whether the marks can be distinguished when subjected to a side-by-side comparison, but rather whether the marks are

sufficiently similar in terms of their overall commercial impression that confusion as to the source of the goods offered under the respective marks is likely to result. The focus is on the recollection of the average purchaser, who normally retains a general rather than a specific impression of trademarks. *See Sealed Air Corp. v. Scott Paper Co.*, *supra.* Moreover, because Carolina's Class 25 goods as identified in its application are legally identical to California's Class 25 goods as identified in the '137 registration, the degree of similarity between the marks which is required to support a finding of likelihood of confusion is less than it would be if the goods were not identical. *Century 21 Real Estate Corp. v. Century Life of America*, 970 F.2d 874, 23 USPQ2d 1698 (Fed. Cir. 1992).

The mark Carolina seeks to register (the Carolina Baseball Logo mark) is depicted below.

Carolina's mark is a stylized form of and stands for the letters "SC." (Stip. Facts Nos. 1-2.)

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California's '137 registered mark (the California Athletic Interlock mark) is depicted below.

We turn first to a comparison of the marks in terms of appearance. Dan Stimmler, California's Associate Vice-President of Auxiliary Services (which includes California's bookstore operations), when presented with side-by-side photographs of a hat bearing the California Athletic Interlock mark and a hat bearing the Carolina Baseball Logo mark, testified that in his personal opinion the marks were not confusingly similar due to the difference in the manner of stylized lettering of each mark. "Looking at the nature of the script that's used for the actual embroidery on the hat, I see a difference between the two." (Stimmler Depo. at 32-33.) We find that this testimony of California's own witness weighs in Carolina's favor under the first *du Pont* factor.

However, the probative value of Mr. Stimmler's testimony is limited by the fact that Mr. Stimmler, unlike the ordinary purchaser, deals with trademarks as part of his job. He went on to testify:

> Q. Do you consider yourself to be more or less sophisticated than the average

consumer about the differentiation of the logos?

. . .

A. Much more sophisticated.

Q. Why?

A. Because I've been involved in this type of business for USC, including these marks, for over 15 years.

(Stimmler Depo. at 33.) Similarly, Carolina's witness Kit Walsh, of Collegiate Licensing Company (which administers both Carolina's and California's trademark licensing programs), testified that he did not think that the two marks are confusingly similar. (Walsh Depo. at 31.) Again, though, it is his job to be familiar with different schools' trademarks. His experience and ability to distinguish between Carolina's mark and California's mark would not necessarily be shared by ordinary consumers.

We have considered the testimony of Mr. Stimmler and Mr. Walsh regarding the similarity or dissimilarity of the Carolina Baseball Logo mark and the California Athletic Interlock marks in terms of appearance. However, it is the Board which must make the ultimate determination under the first *du Pont* factor. When we compare the marks in terms of appearance, we find that they are similar. The marks are similar to the extent

that they both appear as the letters SC depicted in interlocking form. The marks are dissimilar to the extent that the letters SC are depicted in differently-stylized lettering, and to the extent that in Carolina's mark the interlocking "S" and "C" are centered upon each other whereas in California's mark the interlocking "S" and "C" are descending to the right. On balance, however, we find that the similarity in appearance between the marks which results from the fact that both marks depict the letters "SC" and the fact that both marks depict these letters in interlocking form outweighs the dissimilarities between the marks in terms of the stylization of lettering and the different positioning of the interlocking letters.

Comparing the marks in terms of sound, we find that the marks are identical. Both would be pronounced as "SC."

Comparing the marks in terms of connotation, we find that to the extent that the marks on their face have any connotation at all, the connotations are identical, i.e., the letters "SC."

In terms of overall commercial impression, we find that the marks as applied to the parties' goods are similar insofar as they each would be perceived as being a logo identifying or referring to a school or team whose initials are "SC." Consumers encountering the marks for the first time might well assume that both logos are different forms of "SC" used by the same school. The evidence of record shows that both Carolina and

California use and have used multiple versions or stylizations of "SC." Indeed (as discussed below), in the years immediately prior to its 1997 adoption of the Carolina Baseball Logo mark it seeks to register, Carolina was using a descending interlocking "SC" mark which is identical to the California Athletic Interlock mark. In these circumstances, consumers could reasonably assume that the two "SC" logo marks originate with the same school, or that some other source connection exists.

In short, when we compare the marks in their entireties in terms of appearance, sound, connotation and overall commercial impression, we find that Carolina's Baseball Logo mark is similar to California's '137 California Athletic Interlock mark. The marks are distinguishable when viewed side-by-side but, as noted above, that is not the test under the first *du Pont* factor. Also as noted above, because the parties' goods are in large part identical, the degree of similarity between the marks which is necessary to support a finding of confusingly similarity is lessened. We find that the two marks are sufficiently similar that, if used by the parties on their legally identical goods, source confusion is likely to result. For these reasons, we find that the first *du Pont* factor weighs in favor of a finding of likelihood of confusion.

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Likelihood of Confusion - Conclusion

Balancing the evidence of record as it pertains to all of the relevant *du Pont* factors (including the evidence pertaining to factors 4-8, 10 and 13 discussed above in connection with California's likelihood of confusion claim based on its '953 registration) we find that a likelihood of confusion exists as between Carolina's mark as applied to its goods and California's '137 Athletic Interlock mark as applied to California's Class 25 goods as identified in California's '137 registration. To the extent that any doubts might exist as to the correctness of this conclusion, we resolve such doubts against applicant. *See Starbucks U.S. Brands, LLC v. Ruben*, *supra*.

Section 2(d) Claim based on '137 Registration - Conclusion

Because priority is not at issue as to the mark and goods covered by California's '137 registration, and because a likelihood of confusion exists, we conclude that California's '137 registration bars registration of Carolina's mark under Section 2(d). This conclusion is in addition to and/or in the alternative to our conclusion, *supra*, that registration of Carolina's mark also is barred by California's '953 registration, and to our conclusion, *infra*, that registration of Carolina's mark is barred by California's prior common law rights.

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COMMON LAW PRIORITY ISSUES PRESENTED

As discussed above, priority is not an issue with respect to California's opposition to registration of Carolina's mark insofar as the opposition is based on California's ownership of its '953 and '137 registrations. *King Candy, supra.* However, priority is an issue with respect to California's opposition insofar as it is based on California's alleged prior common law rights. Priority also is an issue in Carolina's Section 2(d) counterclaim for cancellation of California's '137 registration. Before we consider California's common law opposition claim and Carolina's common law counterclaim, we deem it appropriate at this point to clarify the priority issues presented in this case.

The bulk of the evidence and arguments pertaining to priority presented by both parties focuses on the issue of which of them was the first, in terms of absolute historical priority, to use any form of the designation "SC." Carolina asserts that it has been using "SC" in connection with its educational services and athletics programs since its founding in the early nineteenth century. Carolina further argues that the State of South Carolina has used and been referred to as "SC" since pre-Revolutionary War times, and that because Carolina is an agency of the State of South Carolina, it is entitled to rely upon any such use of "SC" by the state for purposes of determining priority in this case.

For its part, California asserts that its continuous use of the designation "SC" in connection with its

educational and athletics goods and services goes back to the late nineteenth century, that any prior trademark or service mark rights in "SC" that Carolina might have asserted were lost as a result of several periods of abandonment over the past century, and that Carolina is not entitled to rely for priority purposes in this case on the use of "SC" by the State of South Carolina.

Although the voluminous evidence the parties have presented on the issue of priority is of likely interest to persons researching each school's history, we find that much of it is not necessary to our determination of the much narrower Section 2(d) priority issues to be decided in this case.

The issue to be decided in California's common law-based opposition to registration of Carolina's mark is not whether it is Carolina or California which has ultimate historical priority in any form of the designation "SC." Rather, the issue is whether Section 2(d) of the Trademark Act precludes Carolina from registering the specific mark depicted in its application, i.e., the Carolina Baseball Logo mark. For purposes of determining priority in the opposition, Carolina is entitled to rely only on its proven and constructive 1997 date of first use of the specific Carolina Baseball Logo mark it seeks to register, or upon its use immediately prior thereto of any legally equivalent mark which may be "tacked" onto the 1997 first use of the Carolina Baseball Logo mark. We find (as discussed below) that Carolina has no legally equivalent mark the prior use of which which it can tack onto its proven and constructive 1997 date of first use

of the Baseball Logo mark depicted in its application. As a result, California can prevail on its common law claim in the opposition by establishing pre-1997 use of a non-abandoned, confusingly similar mark. Carolina's alleged absolute historical priority of use of "SC" in any form, even if proven, is irrelevant to the priority issue in the opposition case.

Likewise in Carolina's counterclaim, the issue is whether California's registration of the specific California Athletic Interlock mark depicted in the '137 registration should be cancelled based on Carolina's prior common law rights. Because we find (as discussed below) that California has no legally equivalent mark the prior use of which which it can tack onto its proven 1994 date of first use of the California Athletic Interlock mark depicted in the '137 registration, all that Carolina needs to prove in the counterclaim is its own pre-1994 use of a non-abandoned, confusingly similar mark. California's absolute historical priority of "SC" in general, even if proven, is irrelevant.

CALIFORNIA'S OPPOSITION BASED ON COMMON LAW RIGHTS

Section 2(d) Priority

Having clarified the priority issues presented by this case, we turn now to the third basis for California's Section 2(d) ground of opposition to registration of Carolina's mark, i.e., California's claim of prior common

law rights in the designation "SC" and in particular its alleged prior use of the California Baseball Interlock mark.

California's pleaded registrations are not involved in California's Section 2(d) claim based on prior common law rights. Therefore, priority is an issue and must be proven by California as an element of its Section 2(d) common law claim. Section 2(d) provides that registration may be refused based on a confusingly similar mark which is "previously used in the United States by another and not abandoned." Thus, to establish common law priority in the opposition, California must prove that, prior to the earliest date upon which Carolina may rely for priority purposes, California was using, and has not abandoned, a mark with which Carolina's mark is confusingly similar.

We begin our priority analysis in the opposition with a determination of the earliest date upon which Carolina can rely for priority purposes in the opposition. That is the date behind which California must go to establish priority.

The parties have stipulated that Carolina began using and licensing the Baseball Logo mark depicted in its application on baseball and softball hats and uniforms and in connection with entertainment services in the nature of baseball and softball exhibitions in "early 1997." (Stip. Facts No. 46-49). (Carolina also would be entitled to rely on the filing date of its involved application, i.e., September 16, 1997, as its constructive

date of first use. Trademark Act Section 7(c), 15 U.S.C. §1057(c).)

According to Carolina's brief (but without citation to the record), the 1997 Baseball Logo mark was adopted as a "throwback" logo, hearkening back to the use of the same mark by Carolina's baseball team in 1952. (A-Exh. No. 127 (1952 yearbook photo).) There is no testimony or other evidence in the record showing any use of this mark after 1952. We find that any use by Carolina of the Carolina Baseball Logo mark after 1952 had ceased well prior to the time that Carolina adopted it as a throwback mark in 1997. Because the 1950's Carolina Baseball Logo mark was abandoned, Carolina may not rely on any 1950's use of that mark for purposes of priority in this case. Carolina's priority rights in the Carolina Baseball Logo mark started anew when the mark was re-adopted in 1997. *See L. & J.G. Stickley Inc v. Cosser*, 81 USPQ2d 1956 (TTAB 2007).

The next issue to be addressed in our determination of Carolina's priority date in the opposition is whether Carolina may go behind its January 1997 first use of the Baseball Logo mark by "tacking" onto such use any prior use of another "SC" mark.

Tacking is permitted if the later-used mark registered or sought to be registered (Carolina's Baseball Logo mark in this case) is the "legal equivalent" of the prior-used mark sought to be tacked. The earlier and later marks must be indistinguishable, creating the same, continuing commercial impression, such that the

consumer would consider both marks to be the same mark. *See Van Dyne-Crotty Inc. v. Wear-Guard Corp.*, 926 F.2d 1156, 17 USPQ2d 1866 (Fed. Cir. 1991). The test for legal equivalence is very strict, much stricter than the test for confusing similarity. Thus, even if the earlier and later marks would be found to be confusingly similar for purposes of a likelihood of confusion analysis, they are not necessarily legal equivalents eligible for tacking. *Id.* Additionally, tacking requires that the goods and/or services marketed under the later mark must be the same as or similar to the goods and/or services marketed under the earlier mark. *See In re Baroid Drilling Fluids Inc. v. Sun Drilling Products*, 24 USPQ2d 1048 (TTAB 1992); *Big Blue Products Inc. v. International Business Machines Corp.*, 19 USPQ2d 1072 (TTAB 1991)(goods must be substantially identical). Tacking is permitted only in "rare instances." *Van Dyne-Crotty, supra*, 17 USPQ2d at 1868.

As discussed below in connection with Carolina's counterclaim for cancellation of California's '137 Athletic Interlock mark registration, the record fails to establish that Carolina, or the State of South Carolina, used any form of an SC mark in connection with Class 25 goods (or even educational or athletics/entertainment services) between 1982 and 1991. On this record, we find that the only pre-1997 "SC" mark used by Carolina in connection with the Class 25 goods identified in its application which might possibly be tacked onto its 1997 first use of the Carolina Baseball Logo mark it seeks to register is the mark depicted below, which it adopted in 1991.

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(Because this mark is essentially identical to California's '137 California Athletic Interlock mark, and in the interest of clarity, we shall refer to this mark as the Carolina Descending Interlock mark.)

As discussed below in connection with Carolina's counterclaim, the record establishes that Carolina adopted and began using the Carolina Descending Interlock mark in 1991 on its baseball and softball team uniforms, and continued to use it until its 1997 adoption of the Baseball Logo mark it seeks to register, depicted below.

We find that Carolina is not entitled to tack its 1991 use of the Carolina Descending Interlock mark onto its 1997 adoption of the Baseball Logo mark, because the two marks are not legal equivalents. They are distinctly different designs which would not be perceived by

consumers to be the "same mark." *See Lincoln Logs Ltd. v. Lincoln Pre-Cut Log Homes Inc.*, 971 F.2d 732, 23 USPQ2d 1701 (Fed. Cir. 1992)(difference in designs precludes finding of legal equivalence); *Torres v. Cantine Torresella S.r.l.*, 808 F.2d 46, 1 USPQ2d 1483 (Fed. Cir. 1986)(same); *Pro-Cuts v. Schilz-Price Enterprises Inc.*, 27 USPQ2d 1224 (TTAB 1993)(same). *But see Wet Seal Inc. v. FD Management Inc.*, 82 USPQ2d 1629 (TTAB 2007); *S & L Acquisition Co. v. Helene Arpels Inc.*, 9 USPQ2d 1221 (TTAB 1987).

As discussed above in connection with California's Section 2(d) claim based on its '137 registration of its California Athletic Interlock mark, we find Carolina's Baseball Logo mark and California's Athletic Interlock mark (which is identical to Carolina's Descending Interlock mark) to be confusingly similar. However, the "legal equivalence" tacking standard is much stricter than the "confusing similarity" likelihood of confusion standard, and we may find that the two marks are confusingly similar without finding that they also are legal equivalents. *See Van Dyne-Crotty Inc. v. Wear-Guard Corp., supra.* We also note that Carolina has argued throughout this proceeding that its Carolina Baseball Logo mark and California's Athletic Interlock mark (which is identical to Carolina's Descending Interlock mark) are not confusingly similar for purposes of determining likelihood of confusion. Carolina thus has essentially conceded that, a fortiori, the two marks are not legal equivalents. They therefore may not be tacked.

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It is important to note that even if we were to find that the Carolina Descending Interlock mark and the Carolina Baseball Logo mark are legal equivalents, such that Carolina could tack and rely upon the 1991 date of first use of its Carolina Descending Interlock mark for purposes of priority in the opposition, California (as discussed below) has established common law rights in its California Baseball Interlock mark which predate 1991. Tacking back to 1991 therefore would be of no avail to Carolina for purposes of determining priority in the opposition.

For these reasons, we find that Carolina has no legally equivalent prior mark the use of which might be tacked onto Carolina's 1997 date of first use of the Baseball Logo mark. Accordingly, and because Carolina cannot rely on its long-abandoned 1952 use of the Carolina Baseball Logo mark, the earliest priority date upon which Carolina may rely in the opposition is its 1997 date of first use of the Carolina Baseball Logo mark it seeks to register. If California establishes its own non-abandoned use of a confusingly similar mark prior to 1997, then California may prevail on its Section 2(d) common law claim.

Carolina has acknowledged that California began using its California Baseball Interlock mark (depicted below) no later than 1967. (Carolina main brief at 11; O-Exh. No. 119.1.)

In any event, the record establishes California's continuous use of the California Baseball Interlock mark by its athletic teams from 1981 to at least 2004 (after commencement of this proceeding). (O-Exh. Nos. 127-162.) California's gift catalogs show continuous use of the California Baseball Interlock mark on apparel and other goods from 1976 to at least 2004. (O-Exh. Nos. 27-47.) California's licensing director Ms. Kennedy testified that California has been licensing the California Baseball Interlock mark since at least 1988, when she began her employment at California. (Kennedy Depo. at 26-27, 62-63.) California has licensed the California Baseball Interlock mark to New Era Cap Company since the late 1980's and to Nike since the mid-1990's, and these licensees have distributed products bearing the mark to a wide variety of retailers who in turn sell the goods to the public. (Kennedy Depo. at 77; O-Exh. Nos. 48, 77.)

Based on this evidence, we find that California has been continuously using its California Baseball Interlock mark on apparel and team uniforms since at least as early as 1976, a date prior to Carolina's 1997 date of first use of its Carolina Baseball Logo mark (and indeed prior to Carolina's 1991 date of first use of its Carolina Descending Interlock mark). We thus find that California has established its priority for purposes of its Section 2(d) claim based on its prior common law rights.

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Section 2(d) – Likelihood of Confusion

We turn now to the second element of California's common law Section 2(d) claim, likelihood of confusion. We find that there is a likelihood of confusion between Carolina's Baseball Logo mark and California's previously used and not abandoned Baseball Interlock mark. Our analysis of the *du Pont* factors as set forth above in connection with California's Section 2(d) claims based on its '953 standard character mark registration and its '137 Athletic Interlock registration apply as well to California's Section 2(d) claim based on its prior common law rights, and we incorporate here our findings and conclusions from the '953 and '137 bases for California's opposition. Indeed, for purposes of the first *du Pont* factor, we find that the Carolina Baseball Logo mark is even more similar to California's common law California Baseball Interlock mark than it is to the '137 California Athletic Interlock mark to the extent that, like the Carolina Baseball Logo mark, the California Baseball Interlock mark displays the interlocking letters "SC" in a centered design rather than in a descending interlock design.

Likelihood of Confusion - Conclusion

After balancing all of the evidence as it pertains to the *du Pont* factors, we find that there is a likelihood of confusion between the Carolina Baseball Logo mark and California's common law California Baseball Interlock mark.

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Common Law Opposition - Conclusion

For the reasons discussed above, we find that California has priority, and that a likelihood of confusion exists. We therefore conclude that California is entitled to prevail on its Section 2(d) claim based on its common law rights. Any doubts as to the correctness of this conclusion must be resolved in the favor of California as the prior user. *Starbucks U.S. Brands, LLC v. Ruben, supra.* This conclusion is in addition to and/or in the alternative to our conclusions that California is entitled to prevail on its Section 2(d) claim based on its '953 and '137 registrations.

CAROLINA'S COUNTERCLAIM

We turn now to the other claim at issue in this case, i.e., Carolina's counterclaim for cancellation of California's pleaded '137 registration of the California Athletic Interlock mark.

Carolina has Standing

We find that Carolina has standing to petition to cancel California's '137 registration, based on its status as defendant in the opposition and its proven use of its Carolina Baseball Logo mark. *Ohio State Univ. v. Ohio Univ.*, 51 USPQ2d 1289 (TTAB 1999).

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Section 2(d) Priority

To establish its Section 2(d) priority, Carolina must prove ownership of a mark which, vis-a-vis California's registered mark, is "previously used ... and not abandoned." Trademark Act Section 2(d). Because we find that Carolina has failed to establish its priority, we deny the counterclaim on that basis.

California's Earliest Priority Date

We first shall determine the earliest date on which California may rely for priority purposes; it is that date which Carolina must go behind to establish its Section 2(d) priority in the counterclaim. The record shows that California began using its California Athletic Interlock mark in 1994. (Kennedy Depo. at 27, 64.) California was using the California Baseball Interlock mark continuously prior and up to 1994, as discussed above in connection with California's common law basis for its opposition. However, we find that the California Baseball Interlock mark is not the legal equivalent of the '137 California Athletic Interlock mark which is the subject of Carolina's counterclaim. The two designs are materially different and readily distinguishable, and they would not be perceived by consumers to be the same mark. *See Lincoln Logs, supra; Torres, supra; Pro-Cuts, supra.*[25]

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25. We also find that the California Athletic Interlock mark is too highly stylized to allow California to tack any prior use of "SC" in block or non-stylized form. *Cf. Metromedia Steakhouses Inc. v. Pondco II Inc.*, 28 USPQ2d 1205 (TTAB 1993)(typed mark not legal equivalent of design mark for purposes of determining claim preclusion). *Compare S & L Acquisition Co. v. Helene Arpels Inc.*, 9 USPQ2d 1221 (TTAB 1987).

For these reasons, we find that California is not entitled to tack, and that the earliest priority date upon which California may rely in the counterclaim is the 1994 date of first use of the '137 California Athletic Interlock mark.

Carolina's Priority Theories

Carolina appears to be basing its Section 2(d) priority claim on three theories: on the continuous use by Carolina, as a university, of "SC" since the 1890's in connection with its educational and athletics services; on Carolina's use of the Carolina Descending Interlock mark beginning in 1991, three years prior to California's 1994 adoption of the California Athletic Interlock mark; and on the continuous use of "SC" by the State of South Carolina since colonial times, with such use inuring to Carolina's benefit because it is an agency of the state. We shall discuss each of these theories in turn.

Priority Claim Based on University's Use Since 1890's

Carolina contends that, as an educational institution, it has used "SC" in connection with its educational services and athletics programs "in almost every decade" since the 1890's. (Carolina's brief at 5-6.) In support of this claim, Carolina cites to team photographs in yearbooks and to other historical photographs and documents from each decade (except the 1910's) between the 1890's and the 2000's. (Carolina's notices of reliance nos. 2, 4-6, 15, 20, 28, on A-Exh. Nos. 88-90, 107-164, 214, 216, 381-382, 444-458.) Carolina also

relies on the testimony of its archivist Elizabeth West and exhibits thereto, i.e., A-Exh. Nos. 17-22, consisting of yearbooks from 1902, 1924, 1949, 1961, 1973 and 1992.

California disputes Carolina's claim of continuous use of "SC" since the 1890's, arguing that there are gaps in the documentary evidence which show three periods of nonuse and thus abandonment from 1906-21, 1931-48, and 1974-91.[26] Carolina in turn contends that any yearbook gaps are not dispositive because yearbook evidence is not the only evidence of use in the record. Carolina specifically cites Ms. West's testimony that, based on her review of and knowledge of Carolina's archives, she believes Carolina has continuously used "SC" since the 1890's.

We have carefully considered the parties' evidence and arguments regarding Carolina's use (and alleged abandonments) of the "SC" mark over the last century. We find, however, that we need not go back any further than 1981, because Carolina ceased use of any "SC" mark beginning in 1982 and up until its adoption and use of the Carolina Descending Interlock mark in 1991. Three years of nonuse of a mark establishes a prima facie case of abandonment. Trademark Act Section 45, 15 U.S.C. §1127.

We will assume for purposes of this decision (and contrary to California's arguments) that Carolina had

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26. As noted above, California pleaded abandonment as an affirmative defense to Carolina's counterclaim.

never abandoned the "SC" mark prior to 1982. But there is no evidence in the record which persuasively shows that Carolina used any form of an "SC" mark between 1982 and 1991 in connection with any goods or services. This nine-year period of nonuse resulted in abandonment, and Carolina lost any priority rights it may have had before 1982. Its priority date was reset to 1991, the date it adopted the Carolina Descending Interlock mark. *See L. & J.G. Stickley Inc. v. Cosser*, *supra*.

The only documents in the record that Carolina cites as evidence of the university's use of the "SC" mark in the 1980's are a photograph in Carolina's 1980 yearbook and a photograph in Carolina's 1981 yearbook. (A-Exh. Nos. 457-458.) Both photographs are crowd shots apparently taken at football games, which depict a single person in the crowd wearing a hat bearing the letters "SC." We will assume, for purposes of this decision, that these crowd shots suffice as evidence of Carolina's trademark or service mark use of "SC" prior to and during 1980 and 1981.

However, there is no yearbook or other documentary evidence in the record to support a finding that Carolina used an "SC" mark in the 1980's after this last use in 1981. We find this absence of documentary evidence of use after 1981 to be telling, in view of the fact that Carolina was able to locate and produce yearbooks and other documentary evidence of its use of "SC" from many decades earlier. If yearbooks and other documents from the early twentieth century were found in

Carolina's archives, it would seem that documents from the relatively recent period of the 1980's also would have been located and produced if they exist.

In response to California's argument that the absence of yearbook or other documentary evidence showing use by Carolina of any "SC" mark during the 1980's establishes abandonment, Carolina argues that there in fact is other evidence in the record which shows such use, i.e., the testimony of Carolina's archivist Elizabeth West attesting to her belief that Carolina has continuously used "SC" throughout its history. She bases her testimony "on my experience as the university archivist and the research that I've done for patrons into the university's records." (West Depo. at 50.) Presumably in connection with this case, Ms. West spent twelve to fifteen hours reviewing Carolina's archives. She testified that "I went through the records that the university archives has, images and the documents." (West Depo. at 19.) She reviewed yearbooks, original photographs, correspondence and other written materials located in the archives, in order "to look for uses of 'SC' in representing the institution." (West Depo. at 19-21.) Ms. West testified that Carolina's yearbooks are "not necessarily a complete record of every use of every mark the university has ever had." (West. Depo. at 49.) "And based on my knowledge of other documents and images in the university, there is a variety of emblems that the teams and other units of the university have used." (West Depo. at 48.)

However, Ms. West does not identify any of the "variety of emblems" purportedly used by the university. More to the point in our case, she testified that she cannot identify or recall any specific instance where "SC" per se was used by the school during the abandonment periods alleged by California, including the period from 1982 to 1991. (West Depo. at 43-44.) When specifically asked for the basis of her stated belief that Carolina has continuously used "SC" throughout its history, Ms. West cited "the consistency with the use of South Carolina in the university or college's name." (West Depo. at 48.) We find this testimony to be unpersuasive; the fact that "South Carolina" has always been used in the university or college's name is not probative evidence that Carolina also has continuously used "SC" per se as a mark.[27]

In short, we find that Carolina has failed to present persuasive affirmative evidence which would support a finding that, as a university, it was using any form of "SC" in connection with any goods or services between 1982 and 1991. Despite the apparent availability of

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27. Ms. West also testified that she based her belief that Carolina had continuously used the "SC" designation on the fact that "the institution has used the letters SC to represent itself since its establishment because it was a – the official university and official college of the State of South Carolina and is a state agency." (West Depo. at 22.) As we shall discuss below, we find that Carolina's "state agency" argument is not persuasive. For now, we find that Ms. West's reliance on the "state agency" contention as the basis for her belief in Carolina's continuous use of the mark is misplaced.

yearbooks and other documentary evidence of use in the early decades of the last century, there is no yearbook or other documentary evidence of such use during the much more recent period of 1982-1991 at issue here. If such evidence exists, we believe that it was incumbent upon Carolina to make it of record. *See Cerveceria Centroamericana S.A. v. Cerveceria India, Inc.*, 892 F.2d 1021, 13 USPQ2d 1307 (Fed. Cir. 1989). This is especially so given the fact that California expressly pleaded abandonment as an affirmative defense to Carolina's counterclaim. The only other evidence cited by Carolina as evidence of the university's use of "SC" between 1982 and 1991 is the testimony of Ms. West attesting to her belief in such use. For the reasons discussed above, we find her testimony to be vague and unpersuasive, and insufficient to overcome the presumption of abandonment arising from the nine-year period of nonuse.

In addition to the absence of any affirmative evidence from Carolina that Carolina, as a university, made continuous use of "SC" between 1982 and 1991, the record contains other evidence which supports an opposite finding that Carolina in fact was not using "SC" as a mark or otherwise during that period.

First, California has made of record Carolina's yearbooks from the years 1982 to 1991. (O-Exh. Nos. 397-405.) These yearbooks do not show any use of "SC" by Carolina's athletic teams or otherwise. Indeed, they instead show that throughout this period Carolina was using various other marks, primarily the "Block C" mark.

Second, Carolina's 2001 and 2003 Baseball Media Guides (A-Exh. Nos. 160, 163) include sections featuring photographs of Carolina's baseball players who have been named All-Americans over the years. These photographs show the players wearing their baseball caps, which presumably were the caps worn by the baseball team in each of the respective years. The caps worn by the teams in the 1980's (as well as in the 1970's) all displayed the "Block C" mark, not any "SC" mark. It is not until 1991 that the teams began wearing caps displaying an "SC" mark (the Carolina Descending Interlock mark which Carolina adopted in 1991). This evidence supports a finding that Carolina was not using any "SC" mark during the 1982-1991 period of abandonment at issue here, but rather was using the "Block C" mark.

Third, Carolina's licensing agreements with Collegiate Licensing Corporation (CLC) during the 1980's specifically identify numerous licensed marks, none of which is any form of "SC." These agreements are from 1983 (O-Exh. No. 282), 1985 (O-Exh. No. 283), and 1988 (O-Exh. No. 284). Carolina asserts that the absence of any "SC" marks from the agreements' listings of licensed marks (the "Indicia") is not dispositive, because each of the agreements includes a provision that "in addition to the Indicia shown above, any Indicia adopted hereafter and used or approved for use by the University of South Carolina shall be deemed to be additions to the Indicia as though shown above and shall be subject to the terms and conditions of the Agreement." Carolina argues that its "SC" marks fall

under this "additional Indicia" provision of the licensing agreements.

We are not persuaded. The provision by its terms covers any additional marks "adopted hereafter and used or approved for use by the University of South Carolina." We presume that if Carolina in fact had adopted and used an "SC" mark sometime after the 1983 agreement, that mark would have been specifically included among the licensed marks covered by the next agreement in 1985. Indeed, the 1985 agreement includes additional new marks apparently adopted after 1983, but none of them is an "SC" mark. Similarly, if Carolina had adopted an "SC" mark sometime after the 1985 agreement, it stands to reason that such mark would have been specifically included among the new licensed marks covered by the later 1988 agreement. No such mark appears in the 1988 agreement. In these circumstances, we find that the absence of any "SC" mark from any of the 1980's licensing agreements supports a finding that no such mark was ever adopted and used by Carolina during the 1980's. The presence of the "additional Indicia" clause in the licensing agreements does not prove otherwise.

Fourth, California also has made of record LEXIS/NEXIS printouts of all of the South Carolina state trademark registrations owned by Carolina, numbering 156 in total. (O-Exh. No. 256.) These registrations, most of which were issued in 1973 and 1983, include numerous other marks but fail to include any registration of any "SC" mark in any format at any time. We find that the

absence of any "SC" mark in Carolina's large portfolio of state trademark registrations lends supports to a finding that Carolina was not using any "SC" mark in the 1980's.

In short, not only has Carolina failed to present any persuasive affirmative evidence that it, as a university, was using an "SC" mark in connection with any goods or services between 1982 and 1991, the record includes evidence, i.e., Carolina's 1980's yearbooks, Carolina's 2001 and 2003 Baseball Media Guides, Carolina's 1980's licensing agreements, and Carolina's state trademark registrations, which supports an opposite finding that Carolina in fact was not using any "SC" mark during that period.

For these reasons, we find that regardless of whether Carolina established common law rights in "SC" beginning in the 1890's (as Carolina has argued at length), and regardless of whether Carolina had abandoned the mark several times after that (as California has argued at length), the evidence clearly establishes that Carolina abandoned use of any "SC" mark in 1982, thus resetting its common law priority date to 1991 when it adopted and began using the Carolina Descending Interlock mark. We turn to that mark next.

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Carolina's Priority Claim Based on 1991 Adoption of Carolina Descending Athletic Interlock Mark

As discussed above, the earliest date upon which California may rely for priority purposes in Carolina's counterclaim for cancellation of California's '137 registration of the California Athletic Interlock mark is the 1994 date of California's adoption of that mark. Carolina, in addition to claiming common law priority based on its generalized use of "SC" continuously since the 1890's (a claim we have rejected), also relies on its 1991 date of first use of the Carolina Descending Interlock mark, a date three years prior to California's first use of the California Athletic Interlock mark in 1994.[28] To review, the California Athletic Interlock mark

28. We reject California's argument that Carolina should not be allowed to base its claim of priority in the counterclaim on its 1991 first use of the Carolina Descending Interlock mark because it did not specifically plead ownership of that mark in the counterclaim. We note that throughout this proceeding, California has asserted that the last period of Carolina's abandonment of the "SC" mark was from 1974 to 1991. California in its brief never specifies why it deems the last alleged abandonment period to have ended in 1991, or what new use of "SC" (other than the Carolina Descending Interlock mark) by Carolina would have ended the alleged abandonment in 1991. In these circumstances, we find that California was reasonably on notice that Carolina intended to rely on its 1991 first use of the Carolina Descending Interlock mark as a basis for its counterclaim. To the extent necessary, we find that this issue was litigated at trial and we deem the pleadings to have been amended accordingly. Fed. R. Civ. P. 15(b); Trademark Rule 2.107.

and the Carolina Descending Interlock mark are essentially identical:

Trademark Act Section 2(d) requires that a non-registered mark which is asserted as the basis of the Section 2(d) claim must be "previously used ... and not abandoned." Nonuse of a mark for three years is prima facie evidence of abandonment. Trademark Act Section 45.

The evidence of record establishes that Carolina used the Carolina Descending Interlock mark from 1991 to 1998. As noted above, Carolina's 2001 and 2003 Baseball Media Guides (A-Exh. Nos. 160 and 163) include a collection of photographs of Carolina baseball players who have been named All-Americans over the years. In the 1970's and 1980's, the players' (and presumably the teams') caps displayed a "Block C" logo. The Carolina Descending Interlock mark adopted in 1991 appears on the caps of players from 1991, 1993 and 1994. Beginning in 1997, however, all of the players' caps display Carolina's current Carolina Baseball Logo mark, not the Carolina Descending Interlock mark.

Other evidence in the record from the 1990's shows that the Carolina Descending Interlock mark was used

between 1992 and 1998, but not thereafter. There are yearbook photos from 1992, 1993 and 1994 (A-Exh. Nos. 145-147) which show Carolina baseball players wearing uniforms and/or caps displaying the Carolina Descending Interlock mark.

Carolina's 1997 Baseball Media Guide (A-Exh. No. 157 at pp. 41-43) includes a recap of the 1996 season which includes photographs of players wearing the Carolina Descending Interlock mark. A licensing artwork approval form from June 1998 (A-Exh. No. 206) is for a cap bearing the Carolina Descending Interlock mark. After that, however, there is no evidence in the record showing use of the Carolina Descending Interlock mark.

Instead, the record shows that the only "SC" mark in use after 1998 has been the Carolina Baseball Logo mark Carolina now seeks to register. All of the post-1998 All-American player photographs in the above-referenced 2001 and 2003 Baseball Media Guides (A-Exh. Nos. 160, 163) show the players wearing caps with the new Carolina Baseball Logo mark, not the Carolina Descending Interlock mark. With the exception of the June 1998 artwork approval form mentioned above (A-Exh. No. 206), none of Carolina's licensing artwork approval forms between 1998 and 2004 (A-Exh. Nos. 172-209) involve the Carolina Descending Interlock mark; instead, all of the forms are for the new Carolina Baseball Logo mark. Carolina's Baseball and Softball Media Guides for 1998, 2001, 2003 and 2004 (A-Exh. Nos. 158-164) all show use of the new Carolina Baseball Logo mark, not the Carolina Descending Interlock mark.

Appendix B

For the reasons discussed above, we find that Carolina is not entitled to rely for common law priority purposes in the counterclaim upon its Carolina Descending Interlock mark, because it has abandoned that mark. Carolina began its use of the mark in 1991, a date prior to California's first use of the California Athletic Interlock mark in 1994. But Carolina subsequently abandoned its Carolina Descending Interlock mark in 1997 or 1998, when it ceased use of that mark and adopted and began using instead the Carolina Baseball Logo mark it now seeks to register. The Carolina Baseball Logo mark is not merely an updated or evolving version of the Carolina Descending Interlock mark. As discussed above in connection with the tacking issue, it is a new and materially different mark. Because Carolina has abandoned the Carolina Descending Interlock mark, that mark is not "previously used . . . and not abandoned," and Carolina accordingly may not rely on it as a basis for its Section 2(d) counterclaim for cancellation of California's '137 registration.[29]

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29. In the alternative, if we were to find (contrary to our finding above) that Carolina did not abandon the Carolina Descending Interlock mark in 1997 because the new Carolina Baseball Logo mark is a legally equivalent updated or evolving version of the same mark, such that Carolina may rely on its 1991 use of the Carolina Descending Interlock mark for purposes of establishing priority in the counterclaim, we still would find that California has priority. This is because we would find that the 1976 California Baseball Interlock mark is as similar as or even more similar to the 1994 California Athletic

(Cont'd)

Appendix B

Carolina's Priority Claim Based on Use by the State of South Carolina

The third and final theory Carolina asserts in support of its claim of priority in the counterclaim is that because Carolina is an agency of the State of South Carolina, Carolina is entitled to rely on the state's own use of "SC" which dates back to colonial times. Carolina's archivist Elizabeth West testified that one basis for her belief that Carolina has continuously used "SC" is that "the institution has used the letters "SC" to represent itself since its establishment because it was a – the official university and official college of the State of South Carolina and is a state agency." (West Depo. at 22.) We are not persuaded.

The parties have stipulated (Stip. Facts Nos. 101-107) that "SC" is the official state abbreviation assigned by the United States Postal Service to the state of South Carolina; that the state of South Carolina is referred to

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(Cont'd)

Interlock mark than Carolina's Descending Interlock mark is to the Carolina Baseball Logo mark. For that reason, if we were to find that Carolina's marks are legal equivalents, we also would find that, a fortiori, the California Baseball Interlock mark and the California Athletic Interlock mark likewise are legal equivalents. Because California's marks would be deemed to be legal equivalents, California would be able to tack its pre-1991 use of the California Baseball Interlock mark onto its 1994 use of the registered California Athletic Interlock mark, thereby pre-dating Carolina's 1991 date of first use of the Carolina Descending Interlock mark.

on maps by the abbreviation "SC"; that various South Carolina state agencies use "SC" as part of their agency acronyms; that the state's official website uses the letters "SC" as part of its Internet address; that the South Carolina Air National Guard has used "SC" on aircraft for decades; that since 1936 or before, the state has used "SC" on official historical markers around the state; and that since Revolutionary War times the South Carolina militia and state military have used the letters "SC" on clothing, uniforms and equipment.

We find that all of these uses of "SC" by the state would be perceived by relevant purchasers not as trademarks or service marks, but as purely informational references to the state itself. However, even if these or other uses of "SC" by the State of Carolina were perceived to be source indicators, and even if these uses were deemed to inure to the benefit of Carolina (the university) merely because Carolina is a state agency (a questionable proposition), these uses obviously have nothing to do with the goods and services at issue in this case, or even with higher education services in general. They therefore do not suffice to establish, and indeed are irrelevant to, Carolina's Section 2(d) priority claim in this case. The issue in this case is not whether higher education services are a traditional state government function, as Carolina contends. The issue is whether "SC" has been and is being used as an indication of source for such services. There is no evidence of use of "SC" by the state which conceivably might inure to Carolina's benefit in this case, because the only evidence of use of "SC" by the state in

connection with educational services or related goods is Carolina's own use, which we have already determined is insufficient to establish Carolina's priority in the counterclaim due to Carolina's abandonments of the mark in 1982 and in 1997.

The Counterclaim - Conclusion

In summary, we find that Carolina's Section 2(d) counterclaim must fail because Carolina has not proven its priority, i.e., its ownership of a mark which is "previously used . . . and not abandoned." Any rights in "SC" Carolina might have had prior to 1982 were abandoned due to Carolina's nonuse of "SC" between 1982 and 1991. Carolina's priority date was reset when it adopted the Carolina Descending Interlock mark in 1991, but it abandoned that mark at least as early as 1998 upon adoption of the new and materially different Carolina Baseball Logo mark. Finally, apart from Carolina's own use, there is no evidence of any other use, prior or otherwise, of "SC" by the State of South Carolina in connection with the goods and services at issue in this case, and therefore there is no use by the state upon which Carolina might rely for priority purposes (assuming that Carolina would be entitled to rely on the state's use in any event).

Appendix B

CONCLUSION AND DECISION

After careful consideration of all of the evidence in the record and all of Carolina's arguments, and for the reasons discussed above, we conclude that California has established its standing and its Section 2(d) ground of opposition, and that it therefore is entitled to prevail in its opposition to registration of Carolina's Baseball Logo mark, Serial No. 75358031.

We also conclude that although Carolina has standing to counterclaim for cancellation of California's '137 registration of the Athletic Interlock mark, Carolina's Section 2(d) ground for cancellation must fail because Carolina has failed to prove its Section 2(d) priority.

Decision: California's opposition to Carolina's application Serial No. 75358031 is **sustained**.

Carolina's counterclaim for cancellation of California's Registration No. 2683137 is **denied**.

APPENDIX C — DECISION OF THE UNITED STATES PATENT AND TRADEMARK OFFICE, TRADEMARK TRIAL AND APPEAL BOARD MAILED: JULY 31, 2003

This Disposition is Not Citable as Precedent of the TTAB

UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
2900 Crystal Drive
Arlington, Virginia 22202-3513

Mailed: July 31, 2003

Opposition No. 91125615

University of Southern California

v.

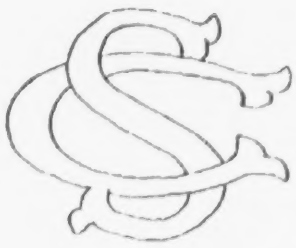
University of South Carolina

Before Quinn, Hairston and Rogers, Administrative Trademark Judges.

Rogers, Administrative Trademark Judge:

The University of South Carolina (applicant) has applied to register a stylized version of the interlocking letters SC, as illustrated below. Registration is sought

in International Class 25 for goods identified as "clothing; namely, hats, baseball uniforms, t-shirts and shorts."



The University of Southern California (opposer) has opposed issuance of a registration to applicant, relying in its notice of opposition on its ownership of registration no. 1,844,953 for the mark SC (in typed form, i.e., devoid of any form of stylization). Opposer's SC mark is registered in four classes, including International Class 25 for goods identified as "sweatshirts and T-shirts, all goods being offered and sold at university-controlled outlets." The registration issued July 12, 1994.

Applicant's mark was published for opposition on May 18, 1999. Opposer obtained extensions of time to oppose totaling nearly three years, the vast majority with consent of applicant, while the parties attempted to settle their differences. Unable to reach an amicable settlement with applicant, opposer filed its notice of opposition on May 3, 2002.

Applicant timely filed an answer and counterclaim; and quickly thereafter filed an amended counterclaim.

The Board accepted the amended counterclaim, as a matter of course, in view of its filing prior to any answer to the original counterclaim. Opposer moved to dismiss the counterclaim under Fed. R. Civ. P. 12(b)(6). The Board noted opposer's reliance on materials outside the pleadings and informed the parties that the motion would be treated as a motion for summary judgment. Each party was provided the opportunity for supplemental briefing, in view of the Board's decision to treat the motion as one under Fed. R. Civ. P. 56. We now address the motion for summary judgment and, preliminarily, issues related thereto which have arisen as a result of the briefing of the motion.

Each party has, to some extent, complained about the evidentiary proffers of the other. Suffice it to say that when material that may be introduced *at trial* by Notice of Reliance is proffered in support of or in opposition to a motion for summary judgment, it need not be introduced by such a notice to be considered in conjunction with the motion for summary judgment. Mere attachment of such material to the motion or response brief is sufficient. We also note that the Board does not take judicial notice of Patent and Trademark Office records. Beech Aircraft Corp. v. Lightning Aircraft Co., 1 USPQ2d 1290 (TTAB 1986) and Cities Service Co. v. WMF of America, Inc., 199 USPQ 493 (TTAB 1978). Finally, while many of the parties' arguments go to the probative value of particular submissions, the Board will not strike or refuse to consider materials merely because they are devoid of substantial probative weight.

Appendix C

Both opposer's original motion to dismiss and its reply brief offered in further support of the motion are broken out into a "motion" and an accompanying "request" that the Board (1) take "official [i.e., judicial] notice" and (2) consider copies of "items already of record." As noted above, a party moving for summary judgment need not include a notice of reliance when submitting items in support of its motion. Moreover, even if such a notice were required, it should not serve as a vehicle for submitting a request to take judicial notice of other items that would not be admissible at trial by such a notice. Rather, any request that the Board take judicial notice of particular items, and the arguments offered in support of the merit in doing so, should be included in the moving party's brief. Including such arguments in an unnecessary filing smacks of an attempt to avoid the page limits on briefing a motion.[1] Finally, it is never necessary—at trial or on a motion for summary judgment—to submit copies of items which are specified by the trademark rules of practice to be considered "of record," such as the contents of the involved application file.

Applicant moved to strike opposer's reply brief and the associated "request for official notice and submission

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1. In particular, the "request for official notice and submission of items already of record" that accompanied opposer's reply brief on the motion to dismiss, clearly includes argument that should be included in the reply brief itself. Were any of this argument counted against the page limit for a reply brief, the "request" and reply brief would exceed the page limit for a reply brief.

of items already of record," or, in the alternative, for leave to file a surreply. While applicant asserted that opposer had engaged in an "egregious attempt to submit pages of new material," rather than limit its reply to addressing applicant's response to opposer's motion, applicant did not specifically argue that opposer's submissions, taken together, exceeded the page limitation for a reply brief. Instead, applicant essentially argued that the reply should not be considered because it rehashes arguments made in opposer's original motion and relies on new evidence that is improper to submit with a reply brief.

When the parties were informed by the Board that opposer's motion to dismiss would be treated as a motion for summary judgment, the Board noted that opposer had filed various exhibits and that they would be considered.[2] Moreover, the Board allowed applicant the opportunity to supplement its response to opposer's motion with additional material and allowed opposer time to file a supplemental reply brief. Implicit in the terms of such order is a determination that opposer's reply brief and the material submitted in tandem therewith would be considered. Thus, we consider applicant's motion to strike to have been effectively denied, and we decline to revisit that earlier interlocutory determination. Insofar as the motion to

2. Some of the exhibits were submitted with the original motion to dismiss and some were submitted with the reply brief, in an attempt to overcome objections raised by applicant to the submissions that accompanied the original motion.

strike included an alternative motion for leave to file a surreply, and to the extent the prior interlocutory ruling did not rule on it, we deny the alternative request. Trademark Rule 2.127(a) prohibits the filing of surreplies.

Applicant timely filed its additional response and exhibits to opposer's constructive motion for summary judgment. Opposer then timely filed its supplemental reply brief. However, opposer's supplemental reply brief, even without resort to the accompanying "notice of reliance" and "affidavit of Mandy Robertson-Bora" exceeds the page limit for a reply brief. See Trademark Rule 2.127(a). Accordingly, we have not considered opposer's supplemental reply brief and its accompanying submissions. Finally, we have not considered the surreply filed by applicant in response to opposer's supplemental reply brief, because we have not considered the supplemental reply brief and, even if we had considered it, we would not consider a prohibited surreply.

In sum, then, to decide opposer's constructive motion for summary judgment on applicant's counterclaim, we have considered the original motion and accompanying submissions, the response and accompanying submissions, the reply and accompanying submissions, and applicant's additional response filed after it was informed that the motion to dismiss would be treated as a motion for summary judgment. Following consideration of these items, and applicable law, we grant opposer's motion and dismiss the counterclaim for the reasons that follow.

Appendix C

Applicant's counterclaim asserts three different grounds for cancellation of opposer's pleaded registration. We consider each in turn.

Opposer's Alleged Fraud on the USPTO

Applicant asserts that the mark registered by opposer was registered through opposer's perpetration of a fraud on the USPTO. Opposer's registration issued based on an intent-to-use [ITU] application, after opposer had received a notice of allowance and filed a statement of use [SOU]. While the amended counterclaim itself (specifically, paragraph 21) is not entirely clear as to what false representation purportedly was made, the parties' briefing of opposer's constructive motion for summary judgment indicates more than one theory supporting the fraud basis for the counterclaim.

Under one theory, applicant appears to believe that opposer's statement, in the ITU application, that it had a bona fide intent to use the applied-for mark in commerce subsequently was shown to be false, because the statement of use asserts actual use of the mark for each class of goods or services prior to the filing date of the application. *See* Response to opposer's motion to dismiss, p. 12 ("This statement [regarding use, in the SOU] is false because [opposer] could not have filed an intent to use application if it had used the mark in commerce on all of the goods identified in the application in 1978 – 12 years earlier.") Under another theory, applicant is arguing that the statement of use is false,

because the date of first use and/or date of first use in commerce set forth by opposer do not apply to each and every item in each class of goods.[3] *See Id.* ("Pursuant to 37 C.F.R. § 2.88(c), if more than one item of goods is specified in a statement [of] use, [opposer] was under an affirmative duty to identify the particular item to which the dates of use applied.") And under a third theory, applicant notes that opposer has a "second application to register the letters 'SC' for the same goods," that the dates of use set forth in the second application are "after the date of [the] application" that matured into the registration that is the subject of applicant's counterclaim, so that applicant now "believes that the facts once developed through discovery may establish that [opposer] did not begin using the letters 'SC' in earnest as a trademark until 1993 or 1994." *Id.*

Opposer argues that it filed an intent to use application because, at the time of filing, it had used its SC mark on some of the goods in the four covered

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3. A related theory which opposer initially believed applicant was advancing as the basis for the fraud ground for the counterclaim is rooted in an Office error. Specifically, though opposer set forth 1978 as the date of first use in commerce for each class of goods in its application, when the Office issued opposer a registration, it inadvertently listed 1978 as the date of first use in commerce for only one of the four classes and listed 1987 as the date of first use in commerce for the other three classes. Opposer apparently never bothered to request a correction of its registration certificate. Though opposer initially believed this discrepancy to be at the root of applicant's fraud allegations, it is clear that it is not.

classes, but not on all the goods; that it was, when opposer filed the application, permissible for an applicant that had not used its mark on every item listed in an application to file the entire application under the intent to use provisions of the Lanham Act and, after subsequently making use of the mark on or in connection with all items, to file an allegation of use stating so; that in filing an allegation of use under such circumstances, it is entirely proper to assert a date of first use and a date of first use in commerce for each class that may relate to one or more, but not all, goods in the class; and that Trademark Rule 2.88(c), insofar as it specifies that, when dates of use in a statement of use pertain to only one item, then the particular item to which the dates apply should be specified, is permissive, not mandatory. In addition, opposer argues, in essence, that even if its statement of use is considered to include a false statement or misrepresentation, it was not relied on by the USPTO in deciding to approve issuance of opposer's registration. Specifically, opposer reasons that if there was any concern about whether the dates of use applied to all items in the application, inquiry could have been made of opposer; and because such inquiry was not made, the USPTO clearly did not rely on the alleged misstatement.

Both of the first two theories for applicant's fraud claim are dependent on a particular reading of the statement of use filed by opposer. Specifically, the statement of use must be read as asserting that the recited dates of first use and first use in commerce were applicable to each and every item in the four classes of

goods, rather than to just one or more items (but not all items) in each class. In addition, applicant urges that how the statement of use is to be read is a disputed matter of fact, so that it would be inappropriate to enter summary judgment dismissing the counterclaim, at least insofar as it is based on opposer's alleged fraud. Applicant's reasoning is faulty.

If we assume applicant's reading of the statement of use is correct, notwithstanding that opposer asserts the statement should not be so read, then applicant's first theory of fraud is that applicant's misrepresentation is rooted in the allegation, in the original ITU application, that opposer had a bona fide intention to use when it had, in fact, already made use for all the goods. Of course, opposer has already pointed out that from the Office's point of view, there is absolutely nothing wrong with an applicant filing under intent to use and later asserting use dates which predate its filing date.[4] *See* opposer's motion to dismiss, page 17, footnote 10. Such a practice is, we note, entirely consistent with the ability of an intent-to-use applicant, in defending an opposition, to attempt to prevail on the issue of priority by relying on proof of actual use prior to its filing date. *See* Corporate Document Services Inc. v. I.C.E.D. Management Inc., 48 USPQ2d 1477, 1479

4. Opposer has also argued that there is a certain compelling logic in the practice, in that any party that has begun using a mark and is seeking registration of the mark likely has a bona fide intention to use the mark. We do not disagree, but the point has played no role in our decision of the pending motion.

(TTAB 1998)("Just as an applicant in a use-based application can rely, for purposes of priority in a proceeding such as this, upon use (including use analogous to trademark use) prior to the filing date of its application, or even prior to its claimed use dates, an intent-to-use applicant is entitled to rely upon actual use, or use analogous to trademark use, prior to the constructive use date of the intent-to-use application." *Footnote and citation omitted*). It would, of course, be entirely illogical to allow an opposed intent-to-use applicant to rely on proof of use prior to its filing date in defending an opposition, dismiss an opposition, issue the applicant a notice of allowance, and to later preclude that applicant from filing a statement of use relying on dates reflective of its actual use.

The significance of this is that it demonstrates that even if opposer had actually used its mark on all its goods prior to filing for registration under intent to use, rather than on a claim of actual use, it would not have been *material* to the Office's determination whether to approve the application. Thus, the first theory of applicant's fraud claim must fail; we see no set of facts that applicant could prove in support of the theory that would entitle it to prevail.

We now turn to the second theory for the fraud basis for applicant's counterclaim. Under that theory, applicant does not target the statement in opposer's application of opposer's bona fide intent to use but, rather, the statement of use filed subsequently. Applicant maintains that the statement must be read

as asserting use in commerce for each and every item in the various classes, as of the sole date of first use asserted in the SOU.[5] Again, however, even if we assume applicant's reading of the statement is correct, it would not be material to the Office's decision whether to approve registration of opposer's mark. Applicant misreads the case law in reaching any contrary conclusion.

The SOU filed by opposer clearly includes a statement, separate from the dates of first use and first use in commerce, that opposer was using the mark in commerce on all the goods at the time the SOU was filed. Even if opposer had not used the mark in commerce in 1978 for all the goods, but deliberately crafted a vaguely-worded SOU to mislead the examining attorney into thinking that opposer had done so, it would not have been material to the decision whether to approve the mark for registration. Opposer correctly relies on the following statement from CarX Service Systems, Inc. v. Exxon Corp., 215 USPQ 345, 351 (TTAB 1982): "A misstatement of the date of first use in the application is not fatal to the securing of a valid registration as long as there has been valid use of the mark prior to the filing date." (Citations to supporting authorities omitted.) This statement, of course, relates to registrations issuing on use-based applications. For an

5. Opposer concedes that the SOU should be read as asserting the date of first use (1926) and date of first use in commerce (1978) applies to each class. Opposer denies that the SOU should be read as asserting those dates apply to each item in each class.

ITU application, there must be valid use on all goods prior to the filing of the SOU. See 37 C.F.R. § 2.88(c). Applicant's reading of the same case as requiring a different result is mistaken.

Applicant and opposer disagree as to whether the Trademark Rule 2.88 is permissive or mandatory in regard to its direction that an applicant who asserts a date of first use in commerce specify the item to which it relates, when it does not relate to all items. Even if we assume that applicant is correct in arguing that the provision is mandatory, not permissive, we agree with opposer that its asserted failure to comply with the provision would not have been material to the determination of the registrability of the mark. Applicant has cited no authority to the contrary and we are not aware that any exists. As with the first theory underlying the fraud basis for applicant's counterclaim, we see no set of facts that applicant could prove in support of the theory that would entitle it to prevail.

We now turn to the third theory of fraud. Under this theory, construed liberally, applicant essentially is targeting the statement in the SOU that the opposer's mark was, when the SOU was filed, then in use in commerce on all of the identified goods. Under this third theory, the date of first use in commerce for at least some of the goods would be after the filing date of the SOU. If this were proved, it would, indeed, prove fatal to the registration, for reasons already discussed. However, the only basis for applicant's advancement of this theory stems from applicant's observation that

opposer filed a separate application for an SC mark, for the same goods,[6] in which the asserted date of first use in commerce [specifically, 1994] is after the filing date of the application that matured into opposer's registration. Thus, applicant has concluded "discovery may establish that [opposer] did not begin using the letters 'SC' in earnest as a trademark until 1993 or 1994." Response to opposer's motion to dismiss, page 13.

That the asserted date of first use in commerce in the subsequent application is after the *filing date* of the application that resulted in issuance of opposer's now challenged registration is immaterial, because it is the date of filing of the SOU that would be important. The SOU that resulted in issuance of the registration was not filed until January 20, 1994. Nonetheless, since the date of first use in commerce asserted in the subsequent application, for each class, is merely 1994, the USPTO would construe that date as December 31, 1994, i.e., a date after the filing date of the SOU in the earlier application. Of course, in any challenge to the subsequent application or any registration issuing thereon, opposer would be free to try and prove use prior to December 31, 1994, including use prior to January 20, 1994. *See Corporate Document*

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6. In fact, the subsequent application includes many more goods than the registration applicant seeks to cancel. For the sake of considering this argument, it does not matter whether the goods in the subsequent application are precisely the same or merely include the goods from opposer's registration.

Services, supra. If opposer actually did prove use prior to January 20, 1994, it would undermine applicant's third theory of fraud.

Even if we assume that opposer could not show use of the stylized mark in its subsequent application until after January 20, 1994, this would be immaterial to any issue relating to the registered SC (in typed form) mark. The subsequent application deals with the mark in a particular form of interlocking, stylized lettering. If opposer did not use the mark SC in that form of lettering until 1994, it could not have asserted dates of use in commerce that would apply only to other forms of lettering. We see no objective basis for applicant's apparent conclusion that, because opposer did not begin using SC in a particular form of lettering until some time in 1994 that its existing registration which does not involve a claim of use of that form of lettering, is somehow called into question. This third theory of fraud represents, at best, a vague, subjective hope of applicant's that, during discovery, it may find some basis for a fraud claim. Even though the law allows for pleading elements of a fraud claim on information and belief, we do not believe it permits a fraud claim with no objective support to be pursued merely because an adversary has, in filing separate applications for different marks, set forth different dates of use.

Appendix C

The Claim Under Section 2(b) of the Statute

The second basis for applicant's counterclaim is its assertion that opposer's registration of the typed mark SC constitutes registration of "other insignia" of the state of South Carolina.[7] Much of the material submitted by the parties in briefing opposer's constructive motion for summary judgment has been submitted because it is perceived to have a bearing on applicant's claims under Section 2(b) and under Section 2(a), the latter of which is discussed infra.

In essence, opposer's motion for summary judgment seeks to establish, in regard to applicant's claim under Section 2(b), that the letters SC alone are not an official insignia of the state of South Carolina, in contrast to seals, flags, and other such items. To support its position, opposer relies on the registration of various marks consisting of or containing the letters SC as evidence that the letters alone cannot constitute an insignia of the state of South Carolina, or else the referenced registrations would not have been permitted to issue by the USPTO or be allowed to remain on the register

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7. "Other insignia" is a catchall provision of Section 2(b). Though some of applicant's arguments in support of allowing this claim to proceed note that the letters SC are used on flags or in seals associated with the state of South Carolina, we do not believe applicant is claiming, or could claim, that the typed letters alone constitute a flag or coat of arms, i.e., the two specific types of indicia of governmental authority (of a state or of the United States) that are prohibited from registration by Section 2(b).

without challenge by the state of South Carolina. By analogy, opposer also points to registrations that contain the letters US, to demonstrate that those letters alone do not constitute an insignia of the United States, in contrast to the flag, seals, and other such symbols.

Applicant seeks either to have opposer's submissions disregarded as improperly submitted or discounted as unworthy of very much probative weight. The following passage from applicant's supplemental brief in response to opposer's constructive motion for summary judgment aptly summarizes applicant's position:

> [D]espite [opposer's] failure to carry its burden of proof for a summary judgment motion, [applicant] has submitted contrary evidence to clearly establish the existence of a factual dispute. The letters "SC" have been adopted as an insignia or flag of the state of South Carolina. Specifically, *Exhibits 5*, *9*, *11*, *13*, *14*, *15*, *16*, and *17* submitted herewith demonstrate that the letters "SC" appeared on flags, uniforms, and weaponry throughout the [sic] South Carolina's history. Further, at various times throughout its history, the state of South Carolina has utilized the letters "SC" as part of the state's seal. *(See Exhibit 14).* Finally, official institutions of the state of South Carolina have adopted and currently use the letters "SC" in connection with the work of the government of South Carolina.

> *(See Exhibits 3-9, 11, and 13-17).* As a result of its multiple evidentiary submissions, South Carolina has created a factual issue as to whether the letters "SC" form an insignia for the state of South Carolina. (Italics and underscoring by applicant.)

We agree with applicant that our case law prohibits opposer from introducing third-party registrations merely by list. However, opposer has introduced reprints of the information regarding these registrations from an Office database, which is an acceptable means for making the registrations of record. As the moving party on the motion for summary judgment, opposer must show that there is no genuine dispute as to any material fact and that it is entitled to judgment as a matter of law. Opposer, having introduced eleven third-party registrations for the letters SC alone and having demonstrated that relevant case law interpreting the "other insignia" provision of Section 2(b) does not recognize initials per se as official insignia of a government, has shifted the burden of persuasion to applicant. Though applicant has made much material of record, it has failed to show that there is a genuine issue of material fact for trial and that opposer is not entitled to judgment under the applicable law dismissing the Section 2(b) claim.

The Board has held that Section 2(b) protection of "other insignia" of the United States "is restricted in its application to insignia of the same general class as 'the flag or coats of arms' of the United States." In re

United States Department of the Interior, 142 USPQ 506, 507 (TTAB 1964). "The term 'national insignia,' as used in [15 U.S.C. §1052(b)], is restricted to the official symbols of a government." Vuitton et Fils S.A. v. J. Young Enterprises, Inc. et al., 212 USPQ 85, 89 (9th Cir. 1981). In a case involving initials, the Board held that "the initials of the Marine Corps. . . cannot be construed as an 'other insignia of the United States' under Section 2(b) of the Lanham Act. The letters 'USMC' are nothing like a flag or coat of arms. These types of insignia are pictorial in nature, they can be described, but cannot be pronounced." U.S. Navy v. U.S. Manufacturing Co., 2 USPQ2d 1254, 1256 (TTAB 1987). Also, the Board has held that a "composite mark consisting of elements and symbols indicative of and used by the United States Postal Service . . . may not be regarded as an insignia of the United States Government, and, thereby, be refused registration under Section 2(b) of the Statute. . . ." In re Brumberger Co., Inc., 200 USPQ 475, 477 (TTAB 1978).

While the case law we have referenced deals with the question of what qualifies as "other insignia" of the United States, we find these precedents illustrative of what will qualify as an "other insignia" of a state government. Thus, the initials of the state of South Carolina would not be considered an official insignia of the state. It is insufficient to establish that the initials are used by the U.S. Postal Service to direct mail to the state; each state establishes its own official symbols, seals, flags, and "other insignia," not the Postal Service or any other agency of the United States government.

Likewise, it is insufficient to establish that the letters SC may be an element in designs, symbols or seals that could be considered "other insignia," so that the letters alone might be considered "indicative" of the state. While opposer has shown that the initials SC per se have been registered by entities other than the state of South Carolina, applicant has not pointed to any countervailing evidence that creates a genuine issue of fact about whether the state of South Carolina has enacted any law, or taken any action, to assert that SC is one of the state's official symbols or insignia. Nor has applicant articulated any argument why we should draw an exception to the case law that holds that initials are not considered "other insignia" under Section 2(b).

The Claim Under Section 2(a) of the Statute

Though initials may not be protectible as "other insignia" under Section 2(b) of the Lanham Act, registration may nonetheless be refused if use is deceptive or falsely suggests a connection to a government or government entity. Compare U.S. Navy, supra, with Brumberger, supra. In the former, the Section 2(a) claim was dismissed; in the latter, it provided the basis for refusal of registration.

There is, however, a threshold problem, which neither party has addressed, and which prevents applicant from invoking its claim of false suggestion of a connection. A Section 2(a) claim of false suggestion of a connection must be pressed by the entity with which the challenged mark is uniquely associated. See, Heroes

Inc. v. Boomer Esiason Hero's Foundation, 43 USPQ2d 1193, 1197 (Dist. D.C. 1997) ("In other words, to raise a claim that a mark falsely suggests a connection with an institution under Section 2(a), the challenger must be the institution itself."). *Accord*, Estate of Biro v. Bic Corp., 18 USPQ2d 1382, 1385 (TTAB 1991) ("...a Section 2(a) plaintiff has standing by virtue of who the plaintiff is, that is, the plaintiff's personality or 'person.'"); National Aeronautics and Space Administration v. Bully Hill Vineyards Inc., 3 USPQ2d 1671, 1676 (TTAB 1987) ("While a party's interest in *its* identity does not depend for its existence on the adoption of and use of a technical trademark, a party must nevertheless have a protectible interest in a name (or its equivalent). Where a name claimed to be appropriated does not point uniquely and unmistakably to *that party's* personality or 'persona,' there can be no false suggestion.") (emphasis added).

Applicant does not claim that the letters SC falsely suggest a connection with applicant's persona or identity. Rather, applicant asserts that the letters SC falsely suggest a connection with the state of South Carolina. It is the state itself that would have to raise such a claim, not an agency thereof.[8] Accordingly, the Section 2(a) basis for applicant's counterclaim also fails.

8. We acknowledge the decision of our primary reviewing court in Jewelers Vigilance Committee, Inc. v. Ullenberg Corp., 823 F.2d 490, 2 USPQ2d 2021 (Fed. Cir. 1987), which allowed a nonprofit trade association to pursue Section 2(a) and Section 2(d) claims even though it had no proprietary interest of its own being asserted. It is unclear from that decision, however,

(Cont'd)

Appendix C

Even if applicant were able to pursue the Section 2(a) claim based on its argument that opposer's registered mark falsely suggests a connection with the state of South Carolina, we would find that opposer has shown that SC has been registered by numerous other entities and has, therefore, shifted the burden to applicant to show that there is a genuine issue for trial regarding whether the initials SC are uniquely and unmistakably associated with the state. Further, we would find that applicant has not established a genuine issue of fact for trial.

In so ruling, we repeat the following passage from an earlier Board decision involving initials of a governmental entity:

> It seems unreasonable in this day and age where there is a plethora of governmental agencies and departments identified by their initials and a tendency of commercial organizations to adopt and use designations comprising the initial letters of the various components of their corporate names as

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(Cont'd)

what provision of Section 2(a) was at issue. In footnote 1, which recites the involved provisions of Section 2 of the Lanham Act, the only portion of Section 2(a) that is listed is the "immoral, deceptive, or scandalous matter" provision. Moreover, we believe Jewelers Vigilance is distinguishable on its facts, as that case involved an acknowledged "watchdog" for its industry and the members of the trade association. Applicant is not the "watchdog" for the state of South Carolina.

> trademarks for goods to preclude, in the absence of a statutory prohibition against any and all use of an abbreviation or name used by a particular governmental agency or department, the registration of the name or a similar term by a commercial organization where, as here, the circumstances surrounding such use are not calculated or likely to mistakenly cause purchasers to associate such commercial activities with a governmental body.
>
> Federal Bureau of Investigation v. Societe: "M. Bril & Co.", 172 USPQ 314, 315 (TTAB 1971), aff'd, 187 USPQ 685 (D.C.D.C. 1975).

In this regard, we also note that each class of goods in opposer's registration is restricted to sale through "university authorized channels of trade" or "sold at university-controlled outlets." Such restrictions tend to suggest that prospective purchasers of opposer's SC-branded goods will likely know they are goods of the University of Southern California or "Southern Cal." Applicant has not established why, notwithstanding these trade restrictions, there is an issue for trial about the likelihood that sales would be made in circumstances such that prospective purchasers would unmistakably draw an association between opposer's mark and the state of South Carolina.

Appendix C

Conclusion

Judgment is hereby entered in opposer's favor and applicant's counterclaim is dismissed in its entirety.[9] Proceedings are resumed; discovery and trial dates are reset as follows.

THE PERIOD FOR DISCOVERY TO CLOSE:	November 7, 2003
Testimony period for party in position of plaintiff to close (opening thirty days prior thereto)	February 5, 2004
Testimony period for party in position of defendant to close (opening thirty days prior thereto)	April 5, 2004
Rebuttal testimony period to close (opening fifteen days prior thereto)	May 20, 2004

9. We note, however, that insofar as the counterclaim is based on a claim of fraud, dismissal is without prejudice to refiling on applicant's third theory for that claim, if applicant discovers specific facts or documents that would support a claim that opposer did not use its registered mark in commerce for each item in each class of its registration prior to filing the SOU that led to issuance of opposer's registration.

Appendix C

In each instance, a copy of the transcript of testimony together with copies of documentary exhibits, must be served on the adverse party within 30 days after completion of the taking of testimony. See Trademark Rule 2.125.

Briefs shall be filed in accordance with Trademark Rule 2.128(a) and (b). An oral hearing will be set only upon request filed as provided by Trademark Rule 2.129.

APPENDIX D — RELEVANT STATUTES

15 U.S.C. § 1051(a)(3)(D) (2006):

§ 1051. Registration of trademarks

(a) (1) The owner of a trademark used in commerce may request registration of its trademark on the principal register hereby established by paying the prescribed fee and filing in the Patent and Trademark Office an application and a verified statement, in such form as may be prescribed by the Director, and such number of specimens or facsimiles of the mark as used as may be required by the Director.

. . . .

(3) The statement shall be verified by the applicant and specify that—

. . .

(D) to the best of the verifier's knowledge and belief, no other person has the right to use such mark in commerce either in the identical form thereof or in such near resemblance thereto as to be likely, when used on or in connection with the goods of such other person, to cause confusion, or to cause mistake, or to deceive . . .

. . . .

Appendix D

15 U.S.C. § 1052(d) (1952):

> No trade-mark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration on the principal register on account of its nature unless it —
>
> . . . .
>
> (d) Consists of or comprises a mark which so resembles a mark registered in the Patent Office or a mark or trade name previously used in the United States by another and not abandoned, as to be likely, when, applied to the goods of the applicant, to cause confusion or mistake or to deceive purchasers: *Provided*, That the Commissioner may register as concurrent registrations the same or similar marks to more than one registrant when they have become entitled to use such marks as a result of their concurrent lawful use thereof in commerce prior to any of the filing dates of the applications involved and the Commissioner or a court on appeal determines that confusion or mistake or deceit of purchasers is not likely to result from the continued use of said marks under conditions and limitations as to the mode or place of use or the code in connection with which such registrations may be granted which conditions and limitations shall be prescribed in the grant

of the concurrent registrations thereof; and concurrent registrations may be similarly granted by the Commissioner with such conditions and limitations when a court has finally determined that more than one person is entitled to use the same or similar marks in commerce. The Commissioner shall give not less than thirty days' written notice to all applicants, registrants, and users specified by any of the parties concerned of any application for concurrent registration and of the time and place of the hearings thereon. When the Commissioner decides to grant a concurrent registration the proposed registration shall be published in the Official Gazette of the Patent Office and the application shall be subject to opposition as hereinafter provided for other applications to register marks. Concurrent registrations may be ordered by a court in an action under the provision of section 4915, Revised Statutes, under such conditions and limitations as the court considers proper in accordance herewith.

Appendix D

15 U.S.C. § 1052(d) (2006):

> § 1052. Trademarks registrable on the principal register; concurrent registration
>
> No trade-mark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration on the principal register on account of its nature unless it —
>
> . . . .
>
> (d) Consists of or comprises a mark which so resembles a mark registered in the Patent and Trademark Office, or a mark or trade name previously used in the United States by another and not abandoned, as to be likely, when used on or in connection with the goods of the applicant, to cause confusion, or to cause mistake, or to deceive: *Provided,* That if the Director determines that confusion, mistake, or deception is not likely to result from the continued use by more than one person of the same or similar marks under conditions and limitations as to the mode or place of use of the marks or the goods on or in connection with which such marks are used, concurrent registrations may be issued to such persons when they have become entitled to use such marks as a result of their concurrent lawful use in commerce prior to (1) the earliest

of the filing dates of the applications pending or of any registration issued under this Act; (2) July 5, 1947, in the case of registrations previously issued under the Act of March 3, 1881, or February 20, 1905, and continuing in full force and effect on that date; or (3) July 5, 1947, in the case of applications filed under the Act of February 20, 1905, and registered after July 5, 1947. Use prior to the filing date of any pending application or a registration shall not be required when the owner of such application or registration consents to the grant of a concurrent registration to the applicant. Concurrent registrations may also be issued by the Director when a court of competent jurisdiction has finally determined that more than one person is entitled to use the same or similar marks in commerce. In issuing concurrent registrations, the Director shall prescribe conditions and limitations as to the mode or place of use of the mark or the goods on or in connection with which such mark is registered to the respective persons.

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15 U.S.C. § 1066 (1952):

> Whenever application is made for the registration of a mark which so resembles a mark previously registered by another, or for the registration of which another has previously made application, as to be likely when to the goods or when used in connection with the services of the applicant to cause confusion or mistake or to deceive purchasers, the Commissioner may declare that an interference exists. No interference shall be declared between an application and the registration of a mark the right to the use of which has become incontestable.

15 U.S.C. § 1066 (2006):

> § 1066. Interference; declaration by Director
>
> Upon petition showing extraordinary circumstances, the Director may declare that an interference exists when application is made for the registration of a mark which so resembles a mark previously registered by another, or for the registration of which another has previously made application, as to be likely when used on or in connection with the goods or services of the applicant to cause confusion or mistake or to deceive. No interference shall be declared between an application and the registration of a mark the right to the use of which has become incontestable.

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15 U.S.C. § 1114(1)(a) (1952):

> (1) Any person who shall, in commerce, (a) use, without the consent of the registrant, any reproduction, counterfeit, copy, or colorable imitation of any registered mark in connection with the sale, offering for sale, or advertising of any goods or services on or in connection with which such use is likely to cause confusion or mistake or to deceive purchasers as to the source of origin of such goods or services;
>
> . . . .

15 U.S.C. § 1114(1)(a) (2006):

> § 1114. Remedies; infringement; innocent infringement by printers and publishers
>
> (1) Any person who shall, without the consent of the registrant—
>
> > (a) use in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive; or
>
> . . . .

Appendix D

15 U.S.C. § 1125(a) (1952):

> (a) Any person who shall affix, apply, or annex, or use in connection with any goods or services, or any container or containers for goods, a false designation of origin, or any false description or representation, including words or other symbols tending falsely to describe or represent the same, and shall cause such goods or services to enter into commerce, and any person who shall with knowledge of the falsity of such designation of origin or description or representation cause or procure the same to be transported or used in commerce or deliver the same to any carrier to be transported or used, shall be liable to a civil action by any person doing business in the locality falsely indicated as that of origin or in the region in which said locality is situated, or by any person who believes that he is or is likely to damaged by the use of any such false description or representation.

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15 U.S.C. § 1125(a)(1)(A) (2006):

> § 1125. False designations of origin, false descriptions, and dilution forbidden
>
> (a) Civil action.
>
> (1) Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which—
>
> (A) is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person, or
>
> . . . .

Appendix D

18 U.S.C. § 2320(e)(1)(A)(iv) (2006):

> § 2320. Trafficking in counterfeit goods or services
>
> (e) For the purposes of this section—
>
> (1) the term "counterfeit mark" means—
>
> (A) a spurious mark—
>
> . . .
>
> (iv) the use of which is likely to cause confusion, to cause mistake, or to deceive; or
>
> . . . .